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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
5TH DAY OF JANUARY, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at the Miyako Hotel, 1625 Post Street in the City of San Francisco, California at 2:00 o'clock p.m. on the 5th day of January, 1993, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Ben L. Hom, President
Cynthia Choy Ong, Vice President
Sonia S. Bolanos
Leroy King
Gary Kitahata
Clarence R. Stern

and the following was absent:

Buck Bagot

The President declared that a quorum was present.

Also present was: Rene Cazenave, Council of Community Housing Organizations; and John Elberling, Tenants and Owners Development Corporation.

President Hom noted that it was necessary to appoint a Temporary Secretary for this meeting.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT IN THE ABSENCE OF THE AGENCY SECRETARY CLARENCE STERN BE APPOINTED TEMPORARY SECRETARY.

NEW BUSINESS

- (a) The Commission of the Redevelopment Agency held a retreat for the purpose of discussing the mission of the Agency and related short-and long-term issues of the Agency's operations.
- (b) At the request of President Hom, Commissioner Kitahata, as Chair of the Steering Committee for the Agency's Strategic Plan, reported on the status of Working Paper No. 1, Situation Assessment.

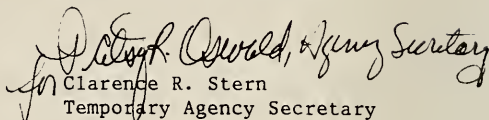
There was no public comment.

Minutes of a Regular Meeting, January 5, 1993

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned to a Closed Session on Personnel. The meeting adjourned at 3:00 p.m.

Respectfully submitted,


Clarence R. Stern
Temporary Agency Secretary

APPROVED

January 26, 1993

MAR 08 1993

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
12TH DAY OF JANUARY, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 12th day of January, 1993, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Ben L. Hom, President
Cynthia Choy Ong, Vice President
Sonia S. Bolanos
Leroy King
Clarence R. Stern

and the following were absent:

Buck Bagot
Gary Kitahata (Arrived 4:50 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Rubin Glickman, former Vice President of the Redevelopment Agency Commission; Arnold Chin, Chinese Chamber of Commerce; James Fang, Mayor's Office; Margaret Verges, Beideman Area Neighborhood Group; Ellen Frye; Reverend Amos Brown, African-American Family Summit; Ace Washington, WAPAC; Hosey Spears, Pastor, Second Missionary Baptist Church, Daly City; Myesha Kirtman; Ted Frazier; Leon Conally; Danny Cooke, Turner Construction Company; Calvin Hayes, BDI; Laverta Young, Allen Group; Jerry Nourse, Signet Testing Company; David Schwartz, Capital Partnerships, Inc.; Aileen Hernandez, Aileen C. Hernandez & Associates; Luiann McGriff, President, San Francisco National Association for the Advancement of Colored People (NAACP); Dwight Kinnard, P & K Trucking; Nat Mason and Peter Cohn, NAACP; Willie Ratcliff; Sharon Hewitt; Reverend Martin F. Grizzell, San Francisco Religious Council; L. Jamie Jamerson, Steve Drigg and Sy Allen, South East Economic Development Group (SEED); Richard Becker, All Peoples Congress; Victor Seeto, 525 O'Farrell Street, Inc.; Michael Melvin, Haas and Haynie; John Elberling, Yerba Buena Consortium; Virginia Conway; Jim Thigpen; Florence A. Jackson; Ken D. Donnelly, Conard House, Inc.; Edalee Chetham, African-American Family Summit; Morris E. Phillips; and Stacey Ricci.

Representing the press were: Gerald Adams, San Francisco Examiner; John King, San Francisco Chronicle; and Linda Wilcox, San Francisco Independent.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Ong, and unanimously carried that the minutes of the Regular Meetings of December 1 and 8, 1992 and the Closed Session Meetings of October 13 and 27, 1992, as distributed by mail to the Commissioners be approved.

President Hom noted the presence of Rubin Glickman, former Vice President of the Redevelopment Agency Commission.

NEW BUSINESS- CONSENT AGENDA

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Approving a Loan Modification Agreement with Debra and Erris Edgerly, 1406 Golden Gate Avenue, Affordable Condominium Program; Western Addition A-2.
- (b) Authorizing approval of a Transfer and Assumption Agreement between the Agency, Conard House, Inc., and Washburn Housing Corporation relating to a loan for the property located at 38-42 Washburn Street.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) AND (b), RESOLUTION NUMBERS 1-93 AND 2-93, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) Philip Williams, Housing Development Specialist, introduced item (c), which requests authorization of a Personal Services Contract in an amount of \$80,000 with the Chinese New Year Festival Committee to co-sponsor and coordinate a Chinese New Year Flower Street Fair, as part of the approved Chinatown Economic Development Program. In January 1992, a Final Plan was approved identifying programmatic uses for \$2 million of Agency funds set aside for economic development activities in Chinatown, which allocated \$510,000 for access improvements; \$300,000 for aesthetics improvements; \$500,000 for marketing; and \$690,000 for finance and long-range planning. In April 1992, the Mayor appointed thirteen community leaders to the Chinatown Economic Development Group (CEDG) to implement the proposed activities outlined in the Final Plan and the group has been meeting on a regular basis to determine how to expend the \$2 million during 1993. In December 1992, the CEDG issued a Request for Proposals (RFP) to for-profit and non-profit organizations to co-sponsor and coordinate this event to be held January 16-18, 1993 during the three weeks of Chinese New Year festivities. The only proposal received was from the Chinese Chamber of Commerce and their selection has been approved by the CEDG. The Flower Street Fair would be coordinated by the New Year Festival Committee which was established by the Chamber in 1964 and has coordinated numerous major events in Chinatown. The proposed \$80,000

expenditure would be drawn from the \$500,000 allocated for the marketing program, which identified coordination of major street fairs in Chinatown as a high priority. It is proposed to amend the resolution before the Commission to indicate that the contract will be with the Chinese New Year Festival Committee, rather than the Chinese Chamber of Commerce.

Mr. Williams noted that James Fang of the Mayor's Office and Arnold Chin of the Chinese Chamber of Commerce are present to respond to questions.

The following persons spoke regarding item (c): Margaret Verges, Beideman Area Neighborhood Group; Reverend Amos Brown, African-American Family Summit; Ace Washington, WAPAC; Reverend Hosey Spears, Pastor, Second Missionary Baptist Church, Daly City and San Francisco resident; Myesha Kirtman; Ted Frazier; Leon Conally; and Arnold Chin, Chinese Chamber of Commerce.

Mr. Kitahata arrived at this time, 4:50 p.m., during the speaker presentations.

Ms. Verges requested information on other groups that have received Agency funding of this magnitude for similar events and when they had taken place because it is important to help the economic and cultural diversity of all ethnic communities.

President Hom noted that the Chinese New Year Festival is part of the Chinatown Economic Development Program for which funding of \$2 million was approved by former Mayor Agnos and incumbent Mayor Jordan. This specific expenditure has been approved and is recommended by the CEDG. Agency grants were also approved by the Mayor's Office for the African-American and 24th Street communities.

The speakers indicated that they were not opposed to this appropriation for the Chinese community to hold a celebration, however, there should be equality and other communities should receive similar funding.

A number of the speakers also noted their concern that the Western Addition has been devastated by unemployment, crime and drug abuse and requested Commission support in dealing with these problems.

Mr. Stern noted that the Mayor's Office allocated \$5 million in economic development funds to the Western Addition and Hunters Point communities and \$1 million to the Latino community. This is not new money, but funds that have already been assigned and set aside and are part of the \$2 million allocated for economic development in Chinatown. There is an African-American Task Force and so if the community wants funding for a Martin Luther King celebration or the Juneteenth Festival then they should make a request.

Ms. Ong indicated that she noticed one of signs carried by a member of the public at the meeting says self-determination. Regardless of whether the Commissioners agree with this expenditure of \$80,000 on a street fair, the CEDG has decided this is the best way they know how to improve economic conditions in Chinatown and she would find it difficult to vote against the self-determination of that community. It seems that it is up to the African-American community to decide whether they want to spend part of the \$5 million allocated on a street fair or celebration.

Reverend Brown indicated he would like to make it very clear that this Black Community has not even had the opportunity for self-determination because every time they try to do something for themselves they are thwarted by the City and its agencies. He noted his concerns regarding: the fact that Mayor Jordan tore up the African-American Task Force, but the Chinatown Task Force is still in place; there was a \$500,000 grant by the Agency for a Black television station, but it subsequently became a multi-cultural station; the Black developers who were to develop the Fillmore Center were forced into a joint venture; and this a racist nation and city with racism being perpetuated on the Black community.

Mr. Chin thanked the Commission for their support of the requested expenditure. He noted his support for the African-American community and indicated a willingness to assist them in their efforts to seek the same allocation of funds from their Economic Task Force.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 3-93, AS AMENDED, BE ADOPTED.

- (d) Helen Sause, Project Director, Yerba Buena Center, introduced item (d), which requests approval of a Fourth Amendment to the Construction Management Contract with Turner Construction Company in connection with the Visual Arts Center, the Yerba Buena Theater, the Esplanade and the East Garden in the Yerba Buena Gardens of Yerba Buena Center. The proposed amendment increases the amount payable by \$1.560 million for a total contract amount of \$5.490 million, extends the contract term by eight months, and increases the scope of testing and inspection services by Signet Testing Company, an MBE firm. It represents approximately 7.7 percent of the project construction budget which, given the complexity of the Agency's projects, compares favorably with the amount the City paid to Turner for the MCC expansion of approximately 7.1 percent. In the Agency's case, four projects, four design teams, three construction contracts and two general contractors are involved compared to the City who on their Moscone project had one design team, one construction contract and one general contractor. When the contract was first negotiated, it was anticipated Turner's services would be required until February 1993, however, construction schedules on the projects indicate that substantial completion will now occur

in the summer of 1993. The delay has been incurred due to the unavailability of the MCC roof upon which the Agency's projects are constructed and extended bid period for the Agency's projects. After the contract was awarded, Sumitomo Construction America, the general contractor, experienced major internal organizational changes resulting in their inability to fully staff the project which also has affected the construction schedule. The Commissioners have been provided with details of Turner's affirmative action program, which staff finds acceptable. Representatives of the Office of the Chief Administrative Officer (CAO) have indicated willingness to consider compensation to the Agency for delays that may have resulted solely because of the MCC construction schedule and issues that need to be discussed in this regard are being identified.

Ms. Sause noted the presence of: Danny Cooke, Turner Construction Company; Calvin Hayes, BDI; Laverta Young, Allen Group; and Jerry Nourse, Signet Testing Company.

Mr. Kitahata inquired regarding how much the CAO's Office is willing to reimburse the Agency and Mr. Helfeld indicated that this is negotiable, but at least they realize they held the Agency up and some of those costs might well be reimbursed.

Mr. Kitahata indicated he would encourage staff to pursue this matter.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 4-93 BE ADOPTED.

President Hom indicated that item (i) would now be considered.

- (i) Robert Gamble, Deputy Executive Director, Finance, introduced item (i), the purpose of which is for a discussion on Working Paper No. 1, Situation Assessment, for the Agency's Strategic Planning Process and reviewed the background of the Strategic Planning process, which was formally suggested in audits conducted by the Controller's Office and Budget Analysts's Office of the Board of Supervisors. A Steering Committee was appointed, which currently consists of: Commissioners Kitahata (Chair), Bolanos and Stern; Kent Sims of the Mayor's Office; Supervisor Willie Kennedy; and two ex officio members, Sidney Unobskey, President of the Planning Commission and Ted Dientsfrey, Director, Mayor's Office of Housing. The Steering Committee started meeting in June 1992 and subsequently a consultant was selected to assist with the strategic planning process leading to the preparation of Working Paper No. 1, which is essentially a status report. It attempts to provide some perspective on where the Agency is today and enumerates strengths, weaknesses, opportunities and threats. It documents the Agency's current financial situation and goes into some depth with regard to the state of current project area efforts as well as the housing and economic development efforts which are currently underway.

Minutes of a Regular Meeting, January 12, 1993

David Schwartz, Capital Partnerships, Inc., noted that a number of the Steering Committee members felt it was important to identify what the Agency has done right and wrong in the past in order to repeat on good things and avoid errors that occurred in the past. The Committee went through the thirteen Redevelopment Projects that the Agency has been involved in to date as well as the six additional survey areas that have not as yet resulted in project areas. From that information it was endeavored to extract some really key issues that are important in going forward. It is important to ensure everyone understands that certain elements of redevelopment, such as events in the 1950's, 1960's and 1970's, some of which have led to the turn out today by the African-American community, would not be likely to happen again under any circumstances because the situation has changed in terms of citizen participation as well as federal and local regulations. He summarized the five key lessons learned contained in Working Paper No. 1 and noted that the strategic planning process will ultimately answer where the Agency wants to go and how to get there.

Mr. Schwartz introduced Aileen Hernandez, co-consultant for the Strategic Planning Process.

President Hom indicated it is his belief that the Commissioners have a rainbow coalition for the first time in the Agency's history and 1993 is a new era and beginning. On January 5 the Commissioners held a retreat and addressed some of the issues presented by the speakers today and participation by the public in the strategic planning process is needed.

The following persons spoke regarding item (i): Reverend Amos Brown, African-American Family Summit; Ace Washington, WAPAC; Margaret Verges, Beideman Area Neighborhood Group; Reverend Hosey Spears, Pastor of the Second Missionary Baptist Church in Daly City and a San Francisco resident; Ted Frazier; Luiann McGriff, President, San Francisco National Association for the Advancement of Colored People (NAACP); Dwight Kinnard, P & K Trucking; Nat Mason, NAACP; Willie Ratcliff; Sharen Hewitt; Reverend Martin F. Grizzell, San Francisco Religious Council; L. Jamie Jamerson, South East Economic Development Group (SEED); Richard Becker, All Peoples Congress; and Sy Allen, SEED.

The speakers noted their concern regarding past economic injustices to the African-American community and indicated there should be financial restitution because urban renewal devastated a large part of the primarily Black Western Addition in the 1960's, displacing most African-American residents. It is not good enough to say a mistake was made and reparation must be made now by rebuilding this community or there could be violence.

Mr. Allen noted that recent newspaper articles indicated there is no plan for the Hunters Point Naval Shipyard and a five part plan has been submitted to the Mayor, Agency staff and Congresswoman Pelosi which he would like to share with the Commission.

Ms. Ong indicated that listening to the comments made by the speakers has been an education and she hopes the Agency and the community can move forward together.

Mr. Stern indicated he would like to see things happen and some progress made with regard to African-Americans developing projects.

Mr. King indicated that he was pleased to see the community here today and has no argument with what they are doing. It is important to move forward.

In response to comments by the speakers, Mr. Kitahata indicated that it is acknowledged this is a racist society. He noted that money is running out and no more funding will be forthcoming from the U.S. Department of Housing and Urban Development (HUD). Shutting down the Agency is always a policy option in this planning process but he would caution the reason for redevelopment under State law is to be able to concentrate money on the kinds of activities that people are talking about in blighted areas so shutting down the Agency would eliminate an advocate to get more money to be reinvested in those communities. The big challenge for the Agency is figure out where is that money going to come from.

Reverend Brown indicated he would like the Commission to make a commitment after hearing the comments from the community to make sure all businesses in the Fillmore are going to be financed by African-Americans as a matter of principle and the same commitment for the Bayview/Hunters Point area. If a commitment is not made then the community is left with continuous frustration and when there is economic deprivation there will be violence, which has occurred in other cities.

President Hom indicated the Commission has heard the message from the community loud and clear and there is a need to work together towards a common goal for all citizens of San Francisco. It is important to move forward, but he would like to remind the community that three Commissioners have only recently been appointed.

President Hom announced that there would be a brief recess. The meeting recessed at 6:35 p.m., and reconvened at 6:45 p.m. with the same roll call.

- (e) William Rumpf, Chief, Housing Production and Managemnt, introduced item (e), which requests authorization of a Predevelopment Loan Agreement in an amount not to exceed \$75,000 with 525 O'Farrell Street, Inc. for preconstruction costs associated with the rehabilitation of 26 units of affordable rental housing located at 525 O'Farrell Street as part of the Citywide Tax Increment Housing Program (TIHP). 525 O'Farrell Street, Inc., a wholly controlled affiliate of Asian, Inc., purchased the property in May 1990 with \$548,750 in Community Development Block Grant (CDBG) site acquisition funds with the

intention of rehabilitating 26 existing units and constructing a 10 unit building in the parking lot of the site. The City funded a \$75,000 predevelopment loan for new construction activities, however, the developer was unable to obtain financing for the new construction portion of the project. The Agency's loan will be repaid from permanent financing committed by the State and City HOME funds for this project, which consists of 25 studios to be rented at \$371 monthly and a one-bedroom manager's unit. The Developer's seismic plans were rejected by the Bureau of Building Inspection, thus requiring a redesign. The architects and engineers have refused to perform these services until past due fees are paid and funds are available to pay for the redesign. This predevelopment loan will permit the redesign and building permit process to proceed, as well as pay for other services necessary to reach the construction stage. The loan has been approved by the TIHP Loan Committee, conditioned upon all items being State or HOME eligible.

Victor Seeto thanked the Commission for their support of this project and requested approval of item (e).

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 5-93 BE ADOPTED.

- (f) Helen Sause, Project Director, Yerba Buena Center, introduced item (f), which requests authorization of Exclusive Negotiations, until March 10, 1993, with Haas and Haynie Corporation for the purchase and development of Parcel 3751-H located at the northeasterly corner of Fourth and Harrison Streets (the Supermarket site) in Yerba Buena Center. When no responses were received to a Request for Qualifications providing for a mixed use development, including a supermarket, staff issued a letter to interested developers requesting proposals and the Commissioners have been provided with a summary of four proposals that were submitted. Following evaluation, staff believes that Haas and Haynie Corporation is best qualified to expedite development of the site because of their experience and financial capacity as well as a desire to use the previously designed and approved construction documents. The Developer, who has had nearly 100 years experience in the real estate and construction industry, plans to construct a supermarket at ground level with 148 residential condominium units above and requisite parking for both components.

Judy Eng, Real Estate Development Specialist, provided background information on Haas & Haynie's past performance and reviewed the business details of the transaction. She noted the presence of Michael Melvin of Haas & Haynie.

The following persons spoke regarding item (f): John Elberling, Yerba Buena Consortium; Virginia Conway; and Michael Melvin, Haas and Haynie.

Mr. Elberling inquired if the developer has the capability to start the supermarket even if the housing component is delayed.

Ms. Conway noted that there is a supermarket monopoly by Safeway and Cala and she would like to see a Lucky Store on this site.

In response to Mr. Elberling, Ms. Sause noted that staff believes Haas & Haynie has the financial capability to expedite this project. It is a priority to move forward with the supermarket component and the project will be phased, if necessary.

Mr. Melvin indicated that there was a unanimous consensus at the Yerba Buena Consortium meeting to proceed with the supermarket first. Costs are being prepared as well as alternatives to phase the development, which will occur if necessary.

Ms. Ong noted inquired on what basis staff is recommending Haas and Haynie, rather than Baner because both proposals appear to have merit.

Ms. Sause indicated that confidential certified financial documentation was reviewed by Real Estate staff, which is the strong component in the selection process. The development proposed by Baner would need complete redesign requiring at least another year to go through the design process, whereas Haas & Haynie are prepared to use the previously designed construction documents. In addition, Baner does not have proven experience because they have projects in process but none completed. Ms. Sause noted all developers that submitted proposal were invited to a Yerba Buena Consortium meeting, but only Haas and Haynie attended.

In response to an inquiry from Ms. Ong, Ms. Eng indicated that it was Mr. Elberling's choice not to have developer presentations at the Yerba Buena Consortium meeting.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 6-93 BE ADOPTED.

- (g) Helen Sause, Project Director, Yerba Buena Center, introduced item (g), which requests approval of the issuance of a Request for Proposals (RFP) to three developers for the development of the Entertainment/Retail portion of Central Block 2 (CB-2) located on the easterly side of Fourth Street between Mission and Howard Streets in Yerba Buena Center. Five responses were received by the December 15, 1992 deadline to a Request for Qualifications (RFQ) to develop the site. A submittal from Oliver/McMillan advised the Agency of its willingness to serve in an advisory capacity on the project or to participate in a joint venture if an opportunity arose and a submittal from YBR Associates did not provide the financial statements or indicate relevant experience as required by the RFQ. The Commissioners have been provided with relevant information on the organizations from whom it is proposed to request proposals, namely, Constructa, Inc., Lincoln Metrocenter Partners, L.P., and the Yerba Buena Entertainment Partnership.

Minutes of a Regular Meeting, January 12, 1993

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 7-93 BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), the purpose of which is for consideration of the Agency's First Draft Budget for 1993-1994. He suggested that due to time constraints discussion on this item be continued to the January 19 meeting.

RULE OF THE CHAIR: PRESIDENT HOM INDICATED THAT, SUBJECT OF THE OBJECTION OF ANY COMMISSIONER, ITEM (h) WOULD BE CONTINUED TO THE MEETING OF JANUARY 19, 1993. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

REPORT OF THE PRESIDENT

- (a) President Hom noted that next Agency meeting on January 19 will start at 3:00 p.m. because there will be a joint reception with the City Planning and Port Commissions that evening at the Miyako Hotel.
- (b) President Hom reported that he had attended the grand opening celebration of Steamboat Point in Rincon Point-South Beach on January 6. This development contains 108 units of affordable rental family housing. This successful event was well attended by Mayor Jordan and other dignitaries.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Tentative Agenda listed a workshop on the Hunters Point Naval Shipyard, but when it became clear that discussions on Working Paper No. 1 would be lengthy, it was decided to postpone it to January 26. However, staff subsequently became aware that the community would prefer it be postponed until after a community meeting is held on January 28, so it will be rescheduled shortly thereafter.
- (b) Governor Wilson's budget recommendation on the use of tax increment would put this Agency out of business because it could not be used except to pay existing debt.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Jim Thigpen requested the date for submission of proposals for the East and West Cafes in Yerba Buena Center be extended from January 15 to February 5.

MATTERS NOT APPEARING ON AGENDA

This is not an agenda item and, in accordance with Section 54954.2(b)(2) of the Brown Act regulations, a determination needs to be made by the Commission that a necessity to take action on this off-agenda item arose after posting of the agenda on Friday, January 8, 1993. A two-thirds vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON JANUARY 8, 1993.

MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT THE DATE FOR SUBMISSION OF PROPOSALS FOR THE EAST AND WEST CAFES IN YERBA BUENA CENTER BE EXTENDED FROM JANUARY 15, 1993 TO FEBRUARY 5, 1993.

President Hom announced that there would be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's Real Property Negotiator. The property locations and the entities the Agency may negotiate with are:

55 Fourth Street in Yerba Buena Center with the Marriott Hotel; and

50 Third Street in Yerba Buena Center with the ANA Hotel.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

There is an additional Closed Session item which arose subsequent to posting of the agenda on Friday, January 8, 1993. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a two-thirds vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON JANUARY 8, 1993.

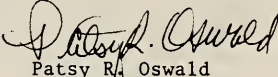
This item is pursuant to Government Code Section 54956.8 to instruct the Agency's Real Property Negotiator. The property is located on the block bounded by Steuart, Spear and Folsom Streets in Rincon Point-South Beach and the entity the Agency may negotiate with is the GAP.

Minutes of a Regular Meeting, January 12, 1993

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Ong, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations and Personnel. The meeting adjourned at 7:15 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

March 2, 1993

MAR 08 1993

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
19TH DAY OF JANUARY, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 3:00 o'clock p.m. on the 19th day of January, 1993, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Ben L. Hom, President
Cynthia Choy Ong, Vice President
Leroy King
Clarence R. Stern

and the following were absent:

Buck Bagot
Sonia Bolanos (Arrived 3:17 p.m.)
Gary Kitahata (Arrived 3:19 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Ted Dientsfrey, Director, Mayor's Office of Housing; Rae Vasconcellos and John Hunter, San Francisco Housing Development Corporation; Mike Mahoney and Jay Parashis, San Francisco Police Department.

Representing the press were: John King, San Francisco Chronicle; and Linda Wilcox, San Francisco Independent.

NEW BUSINESS - CONSENT AGENDA

At the request of Mr. King, President Hom indicated that item (f) would be removed from the Consent Agenda and considered as a Regular Agenda item.

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing a First Amendment to the Personal Services Contract with Mansbach Associates for Acquisition Appraisal Services, which increases the amount payable by \$40,000 to a total amount of \$80,000; Within and Outside All Redevelopment Project Areas.
- (b) Authorizing a Second Amendment to the Personal Services Contract with Mansbach Associates for Re-use Appraisal Services, which

Minutes of a Regular Meeting, January 19, 1993

increases the amount payable by \$30,000 to a total amount of \$90,000; All Redevelopment Project Areas.

- (c) Authorizing a Personal Services Contract for \$50,000 with the Chinatown Economic Development Group to pay for Administrative expenses, as part of the Approved Chinatown Economic Development Program.
- (d) Authorizing amendments to the Agency's Personnel Policy regarding Family Leave, Sexual Harrassment and Automatic Resignation.
- (e) Authorizing continuing Exclusive Negotiations, until April 14, 1993, with San Francisco Housing Development Corporation for Site DD-2, located on the south side of Hudson Avenue at Whitney Young Circle; Hunters Point.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) THROUGH (e), RESOLUTION NUMBERS 8-93 THROUGH 12-93, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (f) Mr. Helfeld introduced item (f), which requests authorization for reimbursement in the amount of \$1,800.00 for Kenneth Taymor's travel expenses incurred in connection with the Hunters Point Naval Shipyard in Hunters Point. The City and the Agency have been negotiating with the U.S. Navy to lease the Hunters Point Naval Shipyard. Mr. Taymor is a Special Assistant to the City Attorney and has been representing the City in the negotiations. It became necessary for Mr. Taymor to travel to Washington, D.C., January 10-11, 1993, to attend a meeting of local officials, Defense Department and transition team personnel regarding base closures issues. Given the importance of this matter to San Francisco, the City viewed this expenditure of funds as justified and Kent Sims of the Mayor's Office requested the Agency reimburse Mr. Taymor for his travel expenses.

Ms. Bolanos arrived at this time, 3:17 p.m.

In response to an inquiry from Ms. Ong as to why an Agency representative had not undertaken this travel, Mr. Helfeld indicated that Kent Sims of the Mayor's Office had insisted that Mr. Taymor be the representative.

Mr. Kitahata arrived at this time, 3:19 p.m.

Mr. King requested Mr. Helfeld convey to Mr. Sims that the Commission had questioned the appropriateness of the Agency paying for this travel.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 13-93 BE ADOPTED.

- (g) Robert Gamble, Deputy Executive Director, Finance, introduced item (g), which requests authorization of the provision of

\$500,000 to the Mayor's Office of Community Development (MOCD) in accordance with the 1992 Community Development Program approved by the Board of Supervisors for the purpose of augmenting the housing rehabilitation pool created in the Community Development Program. In 1991, the Agency agreed to provide \$500,000 in tax increment bond money to MOCD for the 1992 Community Development Program as part of the approval of Agency's use of Community Development program income for public improvements at Yerba Buena Center. The source of funding for the \$500,000 will be a loan repayment of tax increment funds of over \$800,000 originally provided to the Hamlin Hotel. Staff recommends that the Agency fulfill this budget obligation and provide the \$500,000 to the Mayor's Office for rehabilitation and affordable housing.

Ted Dientsfrey, Director, Mayor's Office of Housing, noted that the Board of Supervisors approved the Community Development Program on the assumption that the \$500,000 would be transferred from the Agency to the Mayor's Office and he would urge Commission support of this item.

ADOPTION: IT WAS MOVED BY MS. ONG, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 14-93 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The recommendation of the Budget Committee of the Board of Supervisors to fund a staff position in connection with the 24th Street Revitalization Program was rejected by the full Board on January 19 and referred back to Committee.

In response to an inquiry from Mr. Stern, Robert Gamble, Deputy Executive Director, Finance, indicated that Supervisor Hsieh had raised an objection because of his concern that it would create a precedent for other neighborhoods. Supervisor Hsieh is a member of the Budget Committee and perhaps this can be dealt with at Committee level.

- (b) The Commissioners have been provided with a copy of the Tentative Agenda for the January 26, 1993 meeting.

President Hom requested that the January 26, 1993 meeting be held at 3:00 p.m. due to a reception being held in Golden Gate Park that evening for Mayor Jordan and Mr. Helfeld indicated that this would be arranged.

- (c) The Commissioners have been provided with the Agency's Quarterly Forward Calendar which identifies the most important items that will require Commission action.

REPORT OF THE PRESIDENT

- (a) President Hom noted that the Commissioners are holding a reception with the City Planning and Port Commissions at the Miyako Hotel, 5:30 p.m., January 19.
- (b) President Hom noted that Mr. King's retirement party will be held on January 30, after forty years of service to the community and outstanding work for the ILWU.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. King indicated that invitations to his retirement party are being handled by the ILWU and an agency they hired and the Redevelopment Agency is not involved. He noted his concern that there has been an implication that a conflict of interest exists and Agency legal staff should have contacted him directly regarding this matter. The fund that has been set up is legal, is for education and there will be no monetary gain for him personally.

Commissioners Hom and Ong indicated they are looking forward to attending the retirement party to honor Mr. King and regret any incident that has occurred to mar this event.

NEW BUSINESS (Continued)

- (h) Mr. Helfeld introduced item (h), the purpose which is for consideration of the Agency's First Draft Budget for 1993-1994. The Agency's budget proposal is due for submission to the Mayor's Office on February 1. The Mayor's Office has requested a budget format change to reflect the grouping of costs into five major programmatic categories of: capital improvements, housing, economic development, relocation and project development. A back-up document has therefore been provided which disaggregates the program budget, gives more rationale for each cost item and provides further detail on objectives associated with each cost item. The program budget also provides a broad description of goals and objectives for each program. The total budget amounts to \$79.9 million funded with \$35.1 million of non-tax increment revenue and \$44.8 million of tax increment bond proceeds, the funding of which will require additional annual tax increment draw of \$4.418 million thereby increasing the annual tax increment draw from \$12.842 million to \$17.26 million. Capital improvements provide: \$5.4 million for completion of Central Block 2 and initial work on Central Block 3 in Yerba Buena Center; \$2.5 million for the Center for the Arts at Yerba Buena Gardens, funded by Marriott Hotel lease revenues; and \$2 million for a loan to permit the purchase of a park site in the South of Market. The housing component provides: \$6 million in federal grant money for the AIDS housing program; \$8 million for City-wide housing; \$5.2 million for South of Market housing subsidies; and \$4.4 million for the Western Addition, including acquisition of Caltrans sites. Funding for economic development provides: \$4.96 million for acquisition of the General Services

Administration (GSA) site, the provision of which is dependent upon a merger of project areas; and \$1.3 million for employment service providers in several areas. After the sale of tax increment debt for 1992-1993, the Agency will have approximately \$65 million of debt capacity remaining. The proposed budget will use \$45 million of that total, leaving \$20 million for future years together with other growth which occurs in the future beyond 1993/1994. This calculation does not include the Golden Gateway which would provide approximately \$80 million of additional capacity. Final action on the proposed budget will be calendared for the January 26, 1993 meeting.

Mr. Helfeld noted that a significant amount of the total budget involves GSA site costs of approximately \$5.8 million, a major part of which is for acquisition, demolition and relocation. To keep GSA jobs in the City, agreement was reached to provide a site free to GSA who will construct the building. This was requested by the Mayor's Office in consultation with several members of the Board of Supervisors and it is clearly the direction agreed upon by the elected officials. It is dependent upon the establishment of a project area and a merger of all projects.

William Rumpf, Chief, Housing Production and Management, reviewed the major proposed expenditures for the 1993/1994 housing program. He noted that the goal for the City-wide Housing Program is to produce 300 new units and provide predevelopment loans for four additional projects. The number of units produced will be less for the current year and this decline is attributed to the fact that State programs have run out of money and so the Agency will be paying for a higher percentage of costs than in previous years. It is anticipated 300 units will be produced in the South of Market area, most of which will be Single Room Occupancy (SRO) housing. It is expected approximately 1000 units will be produced from all housing programs.

In response to inquiries from Commissioners Ong and King regarding an expenditure of \$4.4 million for housing in the Western Addition, Mr. Rumpf indicated that within the existing Western Addition Project Area almost all of the land is built out. Therefore, with regard to the Redevelopment Plan the Agency has met most of its goals. It is proposed to use most of that funding for acquisition of vacant Caltrans parcels from Hayes Street up to Turk Street so this is an opportunity for expanding and providing housing for the City.

In response to an inquiry from Ms. Ong, Mr. Rumpf indicated that it is not suggested that the predominant use for the Caltrans land be affordable housing, which would be about 15 percent of the proposed uses on the vacant sites. The City Planning Department has held a series of meetings in the neighborhood to try to rezone it since the land is zoned "Public" because it was a freeway and towards Hayes Street most of it is recommended for residential over ground floor commercial. There are also some sites that are proposed for office and various other uses and

Minutes of a Regular Meeting, January 19, 1993

there is an ongoing effort between City Planning and Agency staff to map out those land uses.

Mr. Helfeld suggested a workshop be held in the near future to present to the Commission the process that has occurred with the citizens, City Planning and the Agency in arriving at possibilities for land uses in the area.

Leamon Abrams, Chief, Economic Development, summarized the costs for community based economic development activities, which will continue existing programs funded by the Agency at an approximate cost of \$1 million for fiscal year 1993/1994.

Helen Sause, Project Director, Yerba Buena Center, gave a status report on ongoing efforts in Yerba Buena Center for 1993/1994 in relation to the budget, which includes construction and marketing activities as well as the design phase, all requiring strong consultant support. The security, operation and maintenance of the gardens are in the process of implementation.

Leslie Miko, Acting Executive Director, Center for the Arts at Yerba Buena Gardens, noted that the Cultural Center will be opening in mid-October 1993 and she is confident the budget will permit the provision of a good level of services.

In response to an inquiry from Mr. Kitahata, Ms. Sause indicated that it is proposed to issue a Request for Proposals (RFP) for the security operations.

Mr. Kitahata noted that there has been a specific inquiry to the Agency on this topic and inquired regarding the process.

Ms. Sause indicated that a large number of people in the immediate neighborhood, including the group referred to by Mr. Kitahata, have expressed several opinions and ideas. There are ongoing discussions being held with the group and it is expected to secure the endorsement of all interested parties of the proposal to have a professional firm manage the gardens.

Mr. Kitahata noted that part of the concern expressed was not just contracting out but also the establishment of some kind of user authority.

Ms. Sause indicated that it had been suggested there be a non-profit board formed to oversee this. However, she believed that a decision had been made that there should be a council of effective neighbors to work with the consultant, but that the Commission be the ultimate decision-making body, which seems to be acceptable to the community.

Mr. Helfeld indicated that there will be a full discussion with the Commission on the process before any action is taken.

In response to an inquiry from Ms. Ong regarding her suggestion to use part of the Marriott revenue stream to provide assistance,

for example, to the homeless, senior citizens or a non-profit group that works with the community, Ms. Sause indicated this idea is seriously being considered by staff. However, with regard to Ms. Ong's suggestion that this idea be applied to the ANA Hotel, the deal had been agreed to by the Commission several months ago in Closed Session and it would be difficult to re-open negotiations.

Robert Gamble, Deputy Executive Director, Finance, described the budget process and indicated this is the time when there is a need for creativity and new ideas and Commission input is very valuable. He noted that final approval of the Mayor's budget by the Board of Supervisors will occur no later than August 1, 1993, however, it is possible there will be subsequent modifications to that budget because of the State budget situation so there will be pressure on the Agency from both the City and the State. In the Governor's budget there is already a proposal to repeat the measures that were taken in the current fiscal year whereby redevelopment agencies were required to pass through money to the School Districts. There is also a proposal in the State budget which would prohibit redevelopment agencies from issuing any new debt, which would in itself terminate the Agency's existence because no new initiatives could be undertaken. Staff is in communication with the Community Redevelopment Agencies (CRA), which lobbies on behalf of redevelopment on all these matters as well as the City's State lobbyist. With regard to the debt capacity issue referred to in a recent memorandum to the Commission, the Agency is at a point in history where a substantial amount of its debt capacity has been used. The Agency's debt capacity continues to grow but not at as fast a rate as the use of that capacity. Therefore, a point will be reached in the near future, if the same growth rate continues, when the capacity will be used up. This situation is a result, not only of the expenditures of the last four years, but also of the slow down in the growth of the Agency's resources, mainly tax increment growth which occurs as a result of private development occurring in redevelopment areas as well as the slow down in the Agency's ability to sell its property which also still represents a very substantial asset to the Agency. The Steering Committee for the Agency's Strategic Plan are considering a number of different alternative approaches towards increasing the Agency's revenue capacity as well as looking at reducing demands on that capacity.

Mr. Kitahata indicated it had been his understanding that with regard to the debt capacity, the Agency was covered for the next two years, however, it now appears it is only covered for a year and a half.

Mr. Gamble indicated that the reason for that basically is earlier projections showed a smaller draw on tax increment than this budget in fact demands, mainly resulting from a larger demand for housing than anticipated and the addition of the GSA project.

Minutes of a Regular Meeting, January 19, 1993

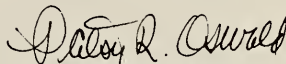
President Hom noted that the Commissioners take the budget very seriously and will be conveying their concerns to staff.

President Hom announced that there would be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned to a Closed Session on Personnel. The meeting adjourned at 4:20 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

March 2, 1993

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
26TH DAY OF JANUARY, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 3:30 o'clock p.m. on the 26th day of January, 1993, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Ben L. Hom, President
Cynthia Choy Ong, Vice President
Leroy King
Gary Kitahata

and the following were absent:

Buck Bagot
Sonia Bolanos
Clarence Stern (Arrived 3:35 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Joshua Newman, Budget Analyst for the Mayor's Office; Redmond Kernan, former Senior Deputy Executive Director of the Redevelopment Agency; Judith Baker, St. Patrick's Daycare Center; Brenda Berlin, Consultant for the Children's Place in Yerba Buena Gardens; Bill Osterhaus, Member of the Board of Directors for the Center for the Arts; Mihaela Cassidy, Co-Treasurer, Center for the Arts; Rene Cazenave, Council of Community Housing Organizations (CCHO); Henry Perez, Sixth Street Merchants and Residents Association; Raymond Colmenar, South of Market Problem Solving Council; Ace Washington, WAPAC; John Shannon and Cathy Capriola, Shannon Associates; and Michael Alcantar, Cordoba Corporation.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Ong, and unanimously carried that minutes of the Regular Meetings of the meetings of December 15, 22, 29, 1992, January 5, 1993, the Special Meeting of December 3, 1992 and the minutes of the Closed Session meetings of November 4, 10, 17, 1992, as distributed by mail to the Commissioners, be approved.

President Hom noted the presence of Joshua Newman, Budget Analyst for the Mayor's Office and Redmond Kernan, former Senior Deputy Executive Director of the Redevelopment Agency.

NEW BUSINESS- CONSENT AGENDA

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing continuing Exclusive Negotiations with Housing Development Corporation for the disposition and development of the property located in and adjacent to the Hunters Point Project Area at Kiska Road and Ingalls Street; Hunters Point.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM (a), RESOLUTION NO. 15-93, BE ADOPTED.

Mr. Stern arrived at this time, 3:35 p.m.

NEW BUSINESS - REGULAR AGENDA

- (b) Mr. Helfeld introduced item (b), which requests approval of the Agency's proposed budget for the period July 1, 1993 through June 30, 1994 and authorization to submit it to the Mayor and the Board of Supervisors of the City and County of San Francisco.

Robert Gamble, Deputy Executive Director, Finance, summarized the major expenditures in the proposed budget and noted that it is due in the Mayor's Office on February 1, 1993.

In response to an inquiry from Mr. Kitahata regarding two requests that had been received too late to be incorporated in the budget, Mr. Gamble indicated that it has been past practice for staff to analyze such requests and return to the Commission with a recommendation. It is normal for there to be modifications to the budget between the end of January and the beginning of May so essentially such items would represent budget amendments.

In response to an inquiry from Ms. Ong, Mr. Gamble indicated that it is anticipated difficulties in financing market rate housing projects will continue this year.

Mr. Helfeld noted that the projects held up due to financing difficulties during the past year were market rate and this is expected to continue. Any delay in affordable housing developments is not due to problems with financing but because in some cases the developer has not had a lot of experience so the projects have taken a little longer. Assuming tax credits continue, a significant problem with the affordable housing program is not anticipated.

Mr. Gamble indicated that there has been a renewed interest in Congress and the new administration on expanding utilization of mortgage revenue bond financing and this would serve not only as a stimulant to housing but also as general stimulant to the

economy. If something of that nature gets through Congress, it would definitely help that picture.

The following persons spoke in support of the proposed budget: Judith Baker, St. Patrick's Daycare Center; Brenda Berlin, Consultant for the Children's Place in Yerba Buena Gardens; Bill Osterhaus, Member of the Board of Directors for the Center for the Arts at Yerba Buena Gardens; Michaela Cassidy, Co-Treasurer, Center for the Arts; Joshua Newman, Budget Analyst for the Mayor's Office; Rene Cazenave, Council of Community Housing Organizations (CCHO); Henry Perez, South of Market Merchants and Residents Association; and Raymond Colmenar, South of Market Problem Solving Council.

The speakers expressed appreciation to the Commission for their support and complimented staff on the budget that has been prepared.

Ace Washington, WAPAC, noted his opposition to the budget because it does not address the needs of the Western Addition and he would like to see community groups involved.

Mr. Cazenave noted that although he supports approval of the budget as presented, CCHO has certain policy recommendations contained in a statement which has been provided to the Commission on the Agency's proposed budget. He indicated that corrective action cannot await the results of the Strategic Planning process and major program restructuring needs to be undertaken immediately to respond to community needs and bring the budget in line with fiscal reality.

President Hom commended staff on the budget that has been prepared. He noted that in the present economic crisis there are extreme pressures on the City's General Fund and there is a limited amount of tax increment now available to the Agency which needs to be conserved. There has been a significant increase in outside funding for housing through the AIDS Housing Program which he believed would permit a reduction in the tax increment effort and he would therefore request staff to return to the Commission in two weeks with such a recommended reduction.

Mr. King noted his concurrence with President Hom's comments.

Mr. Stern indicated he did not agree that staff should return with recommended budget reductions and it should be submitted as is to the Mayor's Office for review, following which modifications can be made.

Mr. Kitahata noted his concurrence with Mr. Stern and noted that, although it is prudent for the Commission and staff to look at contingency plans in the event the Agency is forced to modify the budget, it would be premature and counter-productive to identify specific areas for reductions and ask staff to return with a recommendation in two weeks before the budget has been reviewed by the Mayor's Office. The money from the Federal government for

AIDS housing is a restricted category and not a replacement for the regular affordable housing program so it is too early to target specific areas.

Mr. King indicated that the budget will come back for modification, so there is a need to face reality and in the interim look at how it can be reduced.

President Hom indicated that he recommends the budget be approved as is but inasmuch as there is a crisis in City government there needs to be a budget reduction. The only area a reduction can be made in realistically is housing so, knowing the Mayor's Office will cut the budget, he would request staff to look at that area.

Ms. Ong indicated she would like to maintain a fight and hold onto every bit of the housing budget instead of cutting back. If there are to be reductions then it should be in areas other than housing.

Joshua Newman, Budget Analyst for the Mayor's Office, indicated that Mr. Kitahata's point is well taken and the Mayor's Office will consider any budget submitted. President Hom is well within his means in directing staff to come up with whatever recommendations he deems necessary but the budget will not be prejudged. His point is well taken with regard to tax increment financing for housing because this year the proposed level is relatively high and will represent a drain on the General Fund as the City faces its budget crisis. It is expected a response to the budget submission will be forthcoming in mid-February and cuts may be in the areas that impact the General Fund, such as tax increment for housing.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 16-93 BE ADOPTED.

- (c) James Nybakken, Administrative Services Officer, introduced item (c), the purpose of which is for a Progress Report on the Salary and Classification Study undertaken by staff and Shannon Associates, Consultants. Subsequent to start of the study in October 1992, all staff have completed Position Inventory Questionnaires and have been interviewed by the consultants who have developed classification concepts, class specifications and strategies for establishing an overall classification and compensation plan to meet the short and long terms needs of the Agency. Staff and union representatives have been briefed on the status and initial recommendations of the study and received a packet that includes the class specifications drafted for their positions. There will be a two week period for staff to request a review or suggest changes.

John Shannon gave a status report on the study and noted the consultants had briefed staff and union representatives on January 26. He introduced the other members of the consultant team: Cathy Capriola, Shannon Associates, and Michael Alcantar, Cordoba Corporation.

Minutes of a Regular Meeting, January 26, 1993

In response to an inquiry from Mr. King, Mr. Shannon indicated that meetings have been held with both Local 21 and Local 790.

In response to an inquiry from Ms. Ong, Mr. Nybakken indicated that the study had been recommended in audits by the Office of the Controller and the Budget Analyst's Office.

Ms. Ong inquired regarding criticism contained in the audits and Mr. Helfeld indicated that appropriate information in that regard would be provided to the Commissioners. He noted that this is the first step in the classification study and there will be feedback from the union and employees, following which the consultants will return with recommended reimbursement.

In response to an inquiry from Mr. King, Mr. Nybakken indicated that a classification study conducted four years ago had only covered a limited number of positions, whereas the study currently being undertaken covers all staff.

Mr. King noted that the Budget Analyst's audit had criticized the number of secretaries and high salaries of management staff. When the 1992/1993 budget was presented the question arose about laying off people in lower classifications, but not higher level staff, which was not equitable and resulted in the Agency-wide classification study now being conducted.

Mr. Kitahata indicated that this is an important first step, however, he would like to point out that the same kind of questions as last time will have to be faced again and answered. If there is any message from the Commission, it is they are looking ahead to the finished product and need to develop the political response.

Mr. King indicated he would like to make it clear that he and Mr. Kitahata have a whole different perspective and he believed the political issues could be addressed. It should be realized this is a public agency, not a business, and these are human beings with jobs so it needs to be looked at in perspective.

President Hom noted that this is a progress report and an indication of what to expect in the near future.

- (d) Public Hearing to hear all persons interested in an amendment to the LDA with ANA Hotels on the southwesterly side of Third Street; Yerba Buena Center.

President Hom opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (d), which requests authorization of an amendment to the Land Disposition Agreement with ANA Hotels San Francisco, Inc., concerning the purchase of additional land for the parcels located on the southwesterly side of Third Street in Yerba Buena Center. It is recommended this item be continued to February 9, 1993, not February 2 as indicated on the agenda.

Minutes of a Regular Meeting, January 26, 1993

There being no persons wishing to appear in connection with this matter, the President declared that the Public Hearing would be continued.

RULE OF THE CHAIR: PRESIDENT HOM INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (d), RESOLUTION NO. 17-93, AND THE PUBLIC HEARING, WOULD BE CONTINUED TO THE MEETING OF FEBRUARY 9, 1993. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) There are two additional items to add to the Closed Session Agenda regarding Real Property Negotiations.
- (b) It is necessary to postpone a report that was to be made by Jennifer Bell, Deputy General Counsel, on the Croson Study because Ms. Bell has a family emergency.
- (c) A workshop will be held at the February 2, 1993 meeting to consider proposed revisions to the Agency's purchasing policy with respect to M/WBE participation on contracts for outside legal services.
- (d) The Commissioners have been provided with a flyer regarding a meeting at City Hall on January 28, 1993 at 6:00 p.m. on the Hunters Point Naval Shipyard.
- (e) On January 29, 2:00 p.m., at the Earl P. Mills Community Center, there will be a ceremonial unveiling to dedicate the commissioned oil painting of Earl P. Mills. Mr. Mills was the Deputy Director for Community Services and passed away in 1987.

REPORT OF THE PRESIDENT

- (a) President Hom noted that Mr. King's retirement party will be held on January 30, 4:00 to 8:00 p.m., at the West Bay Community Center.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Kitahata noted that the Commissioners have been provided with a Draft Mission Statement for the Strategic Plan and requested their reaction and comments.

President Hom noted that a lot of time and effort has been put into the proposed Mission Statement and whatever eventually happens to the Agency will be the result of input from many individuals and organizations.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA ITEMS, BUT AGENCY RELATED MATTERS

- (a) Ace Washington, WAPAC, noted his concern that Working Paper No. 1 for the Strategic Plan did not mention WAPAC's existence and he hoped it would be included in the Final Plan.
- (b) Ace Washington, WAPAC, noted his concern at the eviction of P & K Trucking from the lot on which they were operating and requested a meeting with the Commissioners to discuss this.
- (b) John Buss, Hampshire Properties, Inc. (HPI) a development company located in Bayside Plaza in the Rincon Point-South Project Area, requested re-consideration be given to the Agency's response of January 19, 1993 to a proposal contained in a letter dated January 5, 1993 from HPI to develop a 300-room hotel on the northeast corner of Third and Howard Streets, adjacent to the Museum of Modern Art in Yerba Buena Center. The partner in this venture would be Forte Hotels, Inc. a British company of substantial financial capacity and experience in operating hotels all over the world.

Mr. Kitahata noted it would be appropriate to discuss this matter in Closed Session since it has been added to the agenda.

President Hom announced that there would be a Closed Session pursuant to Government Code Section 54957 on Personnel.

There are two additional Closed Session items which arose subsequent to the posting of the agenda on Friday, January 22, 1993. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a two-thirds vote of the Commission members is required to add these items.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE MATTERS AROSE AFTER POSTING OF THE AGENDA ON JANUARY 22, 1993.

These are items are pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and the entities the Agency may negotiate with are:

northeast corner of Fourth and Harrison Streets in Yerba Buena Center with Haas and Haynie; and


southeast corner of Third and Howard Streets in Yerba Buena Center with Hampshire Properties, Inc.

Minutes of a Regular Meeting, January 26, 1993

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned to Closed Sessions on Personnel and Real Property negotiations. The meeting adjourned at 5:00 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald", is written over the typed name.

Patsy R. Oswald
Agency Secretary

APPROVED

March 2, 1993

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#4
2/2/93

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
2ND DAY OF FEBRUARY, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 2nd day of February, 1993, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Ben L. Hom, President
Cynthia Choy Ong, Vice President
Buck Bagot
Leroy King
Gary Kitahata
Clarence R. Stern

and the following was absent:

Sonia Bolanos (Arrived 4:10 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: H. Jesse Arnelle and William G. Harris, Arnelle & Hastie; Jim Collins, member of the Ice Skating Rink Committee, Yerba Buena Center; John Elberling; Brenda Berlin, Consultant for the Children's Place in Yerba Buena Center; Alex Ozeroff, Northpoint Charters; Ace Washington, WAPAC; Jose Garcia, Bronson Bronson & McKinnon; Dennis Mesina, Filipino Bar Association; Enrique Ramirez, La Raza Lawyers; Clifton Jeffers; Jeffery Woo and Neil Sekhri, Sekhri & Woo; Dianne Milner, Steefel, Levitt & Weiss; Melanie Grant, Brobeck Phleger & Harrison; Garret Wong and Thomas Lee, Wong & Lee; Paul Gutierrez, Gutierrez & Associates; Tyree Jones, Law Offices of Tyree P. Jones; Kevin Fong, Pillsbury Madsison & Sutro, and representing the San Francisco Bar Association; Louis Hop Lee, CAABA; Mike Mahoney and Jay Parashis, San Francisco Police Department.

Representing the press was: Linda Wilcox, San Francisco Independent

NEW BUSINESS

- (b) Robert Gamble, Deputy, Executive Director, Finance, introduced item (b), which requests approval of the issuance by the Redevelopment Agency of the City and County of San Francisco of Multifamily Housing Revenue Bonds in an aggregate principal amount not to exceed \$46,405,000 for the purposes of its Residential Construction Financing Program for the Rincon Point-South Beach Project Area (South Beach Marina Apartments). Since falling behind on mortgage payments, which backed the mortgage revenue bonds issued by the Agency, the developer has

been working toward restructuring of the project by bringing in new equity investors and working out terms of the repayment of its arrearage to the U.S. Department of Housing and Urban Development (HUD) as well as attempting to work out terms of new long term financing with HUD. Over the last two years, the Agency has provided three short-term extensions and the developer has made significant progress toward the project's long-term financial survival by: adjusting rents to improve occupancy and cash flow; successfully negotiating a cash infusion by a new equity partner; and successfully working out the terms of the repayment of arrearage to HUD. However, because of difficulties experienced, the developer is requesting a one-year extension of its interim financing to permit additional time for the permanent financing to be worked out with HUD. Failure to work out permanent refinancing would result in a loss of affordability restrictions on the project and result in an interruption of property tax and Mello Roos tax payments from the developer so, to avoid these circumstances, staff believes approval of this extension is warranted.

Ms. Bolanos arrived at this time, 4:10 p.m.

ADOPTION: IT WAS MOVED BY MS. ONG, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 19-93 BE ADOPTED.

- (c) Robert Gamble, Deputy Executive Director, Finance, introduced item (c), which requests authorization to to seek bond financing for development of the Children's Use Facilities on Central Block 3 (CB-3) in Yerba Buena Center. Based upon discussions regarding financing alternatives for CB-3, it was the sense of the Commission that the alternative providing for issuance of zero coupon bonds against future hotel tax receipts is the preferred alternative. To accomplish this, bonds would be issued against the hotel tax revenue stream currently used to pay the original Moscone Convention Center bonds which expire in the year 2000. This revenue stream, from 2001 to 2010, would be capitalized resulting in net proceeds of approximately \$38 million, which would supply the major part of the funding necessary to build the proposed uses on CB-3. To effect this financing, an amendment to the Hotel Tax Ordinance is necessary and approval of this resolution would authorize staff to draft such an amendment for submission to the Board of Supervisors.

Mr. Helfeld indicated that this proposed method of financing has the strong support of Supervisor Bierman and two other Supervisors it has been discussed with were receptive.

In response to an inquiry from Mr. Bagot, Mr. Helfeld indicated that the Mayor's Office is basically receptive to pursuing this approach to the financing.

In response to an inquiry from Mr. Bagot, Mr. Gamble indicated that the reaction by the Chief Administrative Officer was one of caution and he expressed concern regarding the maintenance of the

existing Moscone Convention Center and talked about some alternate uses of this financing strategy, of which there are a number.

The following persons spoke in support of item (c): Jim Collins, member of the Ice Skating Rink Committee; John Elberling; and Brenda Berlin, Consultant for the Children's Place.

Mr. Collins noted his support of this item because the facilities planned will provide recreational and employment opportunities for youth.

Mr. Elberling commended the Agency for following through on the proposed financing strategy, but noted that it is important to work with the hotel industry and gain their support or it will not be passed by the Board of Supervisors.

Ms. Berlin indicated that former Commissioner Fei Tsen is unable to attend the meeting, but she has requested it be conveyed to the Commission that she supports this approach to the financing for CB-3.

In response to Mr. Elberling, Mr. Helfeld indicated that staff has met with representatives of the hotel industry and find those closest to Yerba Buena Center supportive. However, that is not the majority of the hotel industry, which might be persuaded of the importance of this facility, not just to San Francisco, but also to their industry.

In response to an inquiry from Mr. Bagot regarding the development schedule for CB-3, Helen Sause, Project Director, Yerba Buena Center, indicated that the design development phase will be completed by late May 1993 and a decision will be made at that time regarding whether to proceed with full working drawings, so the objective is to have a determination by late May whether these bonds are possible or not.

Mr. Bagot indicated that if a team is put together to work on this issue with the hotel industry he would like to participate.

Ms. Ong indicated that with regard to the suggestion of a team, she would like to see a list of people who are going to prepare a strategy for justification and a list of those with whom it will be discussed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 20-93 BE ADOPTED.

- (d) Helen Sause, Project Director, Yerba Buena Center, introduced item (d), which requests authorization of a modification of the terms of Exclusive Negotiations with Haas and Haynie Corporation for the development of Parcel 3751-H located at the northeasterly corner of Fourth and Harrison Streets in Yerba Buena Center. Subsequent to authorization of exclusive negotiations on January 12, 1993 for the development of a supermarket with 148 residential condominiums above, the Developer requested a

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modification of the terms of the resolution to permit a refund until February 24, 1993 of the \$25,000 Offer to Negotiate Payment, which as a normal condition of exclusives is retained by the Agency if the negotiations do not result in an executed Land Disposition Agreement (LDA). The Developer deposited the \$25,000 payment in an escrow account with First American Title Company on January 28. In view of the efforts of the Developer in accomplishing a mixed-use development, including a supermarket, staff recommends the modification be approved to provide: payment shall be refundable upon written request received from the Developer by 5:00 p.m., February 24, 1993; upon such refund the Exclusive Negotiations shall terminate and the Developer shall have no further rights to the site; and after February 24, 1993, the payment shall be non-refundable and retained by the Agency. In addition, the Developer is required to submit by February 3, 1993, satisfactory evidence of equity capital and by February 24 submit correspondence from a major grocery chain indicating its intent to enter into a lease agreement.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 21-93 BE ADOPTED.

REPORT OF THE PRESIDENT

- (a) President Hom indicated that on behalf of the Commissioners, he would like to extend congratulations to Mr. King on his successful retirement party.
- (b) President Hom reported that he and Ms. Bolanos attended the Budget Committee of the Board of Supervisors on January 27 and the full Board meeting on February 1 and the request to fund a position in connection with the 24th Street Revitalization Program has now been approved.

Ms. Bolanos thanked the Commissioners for their support in this matter.

- (c) President Hom offered his apology to those who had taken offense at a comment he made at a recent Agency meeting.

REPORT OF THE EXECUTIVE DIRECTOR

- (a) There are three additional items to add to the Closed Session agenda regarding Real Property Negotiations.
- (b) There will be a Public Hearing at the City Planning Commission meeting on February 4 at 2:00 p.m. to consider two variances for the development by Jones Memorial Methodist Church at 1975 Post Street, a new church building with expanded classrooms and parking space. The variances are to permit 75 percent lot coverage and to delete the 5 foot set back requirement in the Western Addition A-2 Redevelopment Plan. This will be a subject of future action by the Agency.

- (c) By letter to Caltrans, the Mayor has expressed an interest in the City in acquiring cleared properties under the former double deck viaduct on Route 101 from Turk to Hayes Streets and further has designated the Redevelopment Agency as the lead agency to acquire the properties.
- (d) Jennifer Bell, Deputy General Counsel, noted that in January 1989 the U.S. Supreme Court decided the case of the City of Richmond, Virginia, versus Croson and held that goal-based minority business preference programs were unconstitutional unless supported by evidence of discrimination against minority businesses and that evidence of general societal discrimination was not sufficient justification for a goal-based program. Prior to the Croson case, most governmental agencies with M/WBE programs based their goals on the percentage of minorities in the population which the Court specifically said cannot be done. The Agency did in fact have such a program for construction contractors and developers with Land Disposition Agreements on land that was sold by the Agency. In order to comply with the Croson decision, and at the same time assure M/WBE participation in Agency contracts, the Agency's current program was developed in the Spring of 1990 and in the Spring of 1991, National Economic Research Associates (NERA) was hired to do a Croson study. The purpose of the study was to determine the Agency's utilization of minority and woman-owned business and to determine what the Croson Court called relevant marketplace, that is, where the Agency's contractors have traditionally come from, and determine the availability of M/WBE's in the Agency's relevant marketplace. In addition, because it was known the Agency had done a good job in hiring minority contractors, NERA was asked to do a comparison study of minority business utilization in the private sector to see how, in the absence of a government imposed program, minority businesses were used. Issuance of the final report was delayed primarily for two reasons: firstly, a lengthy absence of the Agency's Affirmative Action Officer due to illness whose input was crucial to NERA doing the study and analyzing the Agency's data; and, secondly, there was a special U.S. census on minority businesses which did not come out until the summer of 1992 and NERA did not want to complete its analysis until it had that special census data. The final report has been provided for comments to: the Agency Commissioners; Ted Wang, Lawyers Committee for Civil Rights and Attorney for the Coalition for Economic Equity; Ed Lee, Director of the Human Rights Commission; and other interested parties. A letter has been received from Mr. Wang questioning some of NERA's analysis and some of the methodology and requesting a hearing before the Commission. A very productive meeting was held with him recently and he has withdrawn his request for a hearing before the Commission and indicated that the Coalition wishes to continue to work with staff. It is hoped to bring a program that has been endorsed by the Coalition before the Commission in a few months time.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. King inquired regarding letters received from Union Locals 21 and 790 on the salary and classification study and indicated before the study goes any further he would like assurance that there have been meet and confer sessions because these workers deserve consideration and respect.

James Nybakken, Administrative Services Officer, indicated that there were meet and confer sessions with the Unions before the report was released. A meeting is scheduled for February 3 to discuss concerns. One of the major concerns is that it is hard to evaluate the effect of the salary and classification study in full because the salaries are not known that are attached to the classifications. The typical way for such a study to be conducted is to settle the classification issue first and then attach the salaries.

Mr. King requested a report on the meeting with the Unions.

- (b) Ms. Ong noted that staff memorandum dated February 5, 1993 on the Disposition of Properties to African Americans in the Western Addition is a well prepared report, however, she would like further information because there does not seem to be a means of comparing African American conveyances with other conveyances, except for housing.

Gene Suttle, Senior Deputy Executive Director, indicated that the report goes through the Fact Book and shades the conveyances to African-American purchasers and developers, which are mainly housing sites. In order to provide a full picture the report contains the entire list of conveyances that have occurred and indicates parcels such as the United Bank Building at the corner of Van Ness and Turk, a Black development on Van Ness and others to show it was not just housing. He suggested a color xerox map be prepared that reflects housing, commercial and the institutional conveyances shown in the memorandum. Although it will not be comparative, it will show in color the land areas that were conveyed.

- (c) In response to an inquiry from Mr. King regarding a request from Larry Bush for conflict of interest papers, David Madway, Agency General Counsel, indicated that these are public documents on file with the Clerk of the Board of Supervisors and available to anyone upon request.

In response to an inquiry from Ms. Ong, Mr. Helfeld indicated that City Reports is a newsletter put out by Larry Bush and the Commissioners will be provided with a copy.

- (d) Mr. Bagot noted his conflict of interest because his wife has been hired as a business agent by Service Employees International Local 790 and he would therefore refrain from participating in any discussions that concern Local 790.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY
RELATED MATTERS

- (a) Alex Ozeroff noted that he has attempted to go through the Agency to find out how the commercial operations in the South Beach Marina in Rincon Point-South Beach are going to be addressed, without success. He noted his concern that there is no criteria to determine how slips are assigned, other than persons favored by the Harbor Master at the exclusion of others.

David Madway, Agency General Counsel, indicated that in connection with the Unlawful Detainer action the Agency has filed with respect to Mr. Ozeroff, several conferences have been held. Those conferences have not been successful and the Unlawful Detainer Action is scheduled for trial on February 8. He indicated that, under those circumstances, he did not believe it appropriate to comment on the merits of Mr. Ozeroff's claim in open session.

President Hom indicated that this matter will be addressed in Closed Session.

- (b) Ace Washington, WAPAC, noted his concern that at the January 26 meeting a person was permitted to speak for seven or eight minutes whereas he is always limited to three minutes. He requested a report on the issue of P & K Trucking, which he had raised at the January 26 meeting.

President Hom announced that there would be a brief recess. The meeting recessed at 5:10 p.m. and reconvened at 5:15 p.m., with the same roll call.

NEW BUSINESS (Continued)

- (e) Robert Firehock, Deputy General Counsel, introduced item (e), a workshop, the purpose of which is to consider a proposed Addendum to the Agency's Purchasing Policy addressing contracts for Legal Services. In May 1992 the Commission declined to amend the contract dollar limit in the legal services contract of one of the Agency's outside law firms and requested a review of the Agency's policies and procedures for retaining outside counsel, with an emphasis on M/WBE efforts and affirmative action hiring. Following a well attended workshop in June, a staff committee was appointed to undertake the requested review and propose a revised policy, and a report was issued in August 1992. A revised policy was subsequently drafted and circulated for comment among interested members of the public and to the Commission. The draft was further revised based on comments received and sent out for further comment, resulting in the proposed revisions.

NOTE: A full transcript of the workshop proceedings is attached hereto and made a part of these minutes.

President Hom announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's Real

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Property Negotiator. The property is located at the southeast corner of Third and Harrison Streets in Yerba Buena Center and the entity the Agency may negotiate with is Harrison Development, Inc.

There will also be a Closed Session pursuant to Government Code Section 54956.9(b) regarding threatened litigation. The party threatening to initiate litigation is P&K Trucking, Co.

There are three additional Closed Sessions, which arose subsequent to posting of the agenda on Friday, January 29, 1993. Pursuant to Government Code Section of the Brown Act, a two-thirds vote of the Commission members is required to add these items.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY ACT ON THESE ITEMS AROSE AFTER POSTING OF THE AGENDA ON JANUARY 29, 1993.

Two items are pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and the entities the Agency may negotiate with are:

northwest corner of Keith Street in Hunters Point with Future Perfect, Inc.; and

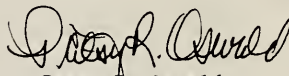
509 Minna Street (Pontiac Hotel) in the South of Market with Magne "Mike" Veimoen.

The third item is pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Ms. Bolanos, seconded by Mr. King, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations, threatened Litigation and Personnel. The meeting adjourned at 6:20 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

March 9, 1993

WORKSHOP TO CONSIDER PROPOSED REVISIONS TO THE AGENCY'S
PURCHASING POLICY WITH RESPECT TO M/WBE PARTICIPATION
ON CONTRACTS FOR OUTSIDE LEGAL SERVICES
FEBRUARY 2, 1993

ROBERT FIREHOCK, DEPUTY GENERAL COUNSEL

This workshop is a follow-up to a workshop that was held in June addressing the same subject matter, which is M/WBE participation in outside contracting for legal services by the Agency. The format at this workshop will differ from the format of the workshop held in June. At that time we were just beginning the dialogue about this issue and essentially invited and structured a presentation of many participants from the legal community in the Bay Area to lay out a whole series of issues. Since that time staff has been working to develop a proposal to amend the Agency policy that is currently embodied in the Purchasing Policy for contracting for outside legal services that would address the issues raised in the workshop and issues raised by the whole M/WBE contracting generally. Our proposal has been sent out for comment and review, has been revised based upon some preliminary comments that were received and today's workshop is essentially to continue the dialogue by focusing on the proposal that staff has prepared. I will give you just a brief overview and then go through the draft amendment revising the Purchasing Policy and will point out several issues that may be appropriate for further discussion. There are a number of people here to speak on the topic.

The Agency hires lawyers to accomplish its development objectives and missions, including producing affordable housing and undertaking economic development. Interwoven within that public policy goal is the goal of choosing our contractors to promote diversity and essentially an inclusionary community and that is through increased M/WBE contracting and encouraging diversity in the workplaces of the contractors that we choose. That is the context within which staff developed the proposal that in draft form before us today. Essentially, that proposal relies on what we feel is an aggressive outreach to M/WBE firms, affirmative compliance and intervention with those firms that promotes diversity in the workplace and a periodic monitoring and review function to assess the results and to adjust the program as we move forward. Comments we have received, generally from people who have commented ahead of this workshop, have been favorable. The people who could not be here tonight, such as Mara Rosales, Bill Hastie and Ted Wang, who had been principally involved as outside assistance in structuring this proposal and addressing this entire issue, have been supportive of our program as a good program that permits flexibility and also provides an opportunity to achieve meaningful results. With that general background I would like to turn to the draft proposal which has been provided to the Commissioners and go through it and try to provide a little more background and detail.

The document itself is intended to be adopted as an amendment to the Purchasing Policy and to guide the Agency's contracting efforts with respect to legal contracting. The first section on page 1, Background: When we actually adopt an amendment to the Purchasing Policy, again this is a workshop, so there is no action to be taken today, we will present to you as part of that action for incorporation by reference and for taking notice of, evidence of past discrimination that will support our policy to the

extent that it is not a race neutral policy. This ties in with the notion in a report that was made earlier by Jennifer Bell with respect to the Croson decision that when the Agency puts in place policies that are not race neutral, essentially we have to have a body of evidence on which we can rely to support those policies. So you don't have that evidence before you, but when we adopt it we will present that evidence and this is a recitation to the amendment that will incorporate that. A number of the commentators strongly suggested that we take that approach. There are elements of our policy that could be construed as not race neutral. The second section starting at the bottom of page 1 is just a recitation of the current scope of the Agency's contracting process and the method of retention of firms. The only real change here is that it takes our defacto system of hiring and retaining counsel, which is that we have a certain number of counsel or firms that we use for continuing consultation, when we need bond counsel we make a Request for Qualifications and solicit interest, and it essentially codifies it so that this procedure, that the Agency, even though we are already following it, this is the procedure that the Agency would be obligated to follow. The key change in this area is with respect to what we characterize as panels of firms. At this juncture the Agency does have a group of firms that it has used in the past and it knows it can rely on in the future for various needs. The change in this element of the process would be that we would be more aggressive in our outreach to M/WBE firms in the various areas in which we need outside legal services to get them in and to include them in the universe of firms on whom we can call for legal services. So, in essence, we would set up panels and when we needed a firm for a particular service we could go that panel of firms, a panel which would be brought to the Commission and approved and accepted by the Commission. This would balance the need for flexibility and speed with the desire to be more inclusive of M/WBE contractors and that would be staff's recommendation in that regard. The methods of contracting which were described on page 3 are essentially the current methods of the Purchasing Policy, both the competitive and non-competitive negotiations being the appropriate means of retaining professional services, particularly legal contracts. We don't do price bidding in the way that you might have in a typical public contract situation, because qualifications and particular expertise for particular matters is so important for professional services generally, but especially for legal services. Price is an issue, but we look at qualifications and then we negotiate the best price for the Agency. So a concept of a bid preference, which some people commenting inquired about, is less meaningful than in a negotiated contracting situation. Bid preferences work for objective criteria where you are looking, for example, at just price, but they are less meaningful in professional contracting. On the bottom of page 3, the key element of the policy in our mind is the contracting outreach. The major difference here is to place on Agency staff the affirmative obligation or responsibility to reach out and find qualified M/WBE's, bring them into the orbit of the Agency to undertake the Agency's legal work, both on their own and in joint venture arrangements with existing Agency contractors whom we know have the skill and experience to undertake the Agency's tasks or with joint ventures with other firms whose talents match-up with that particular firm. The key to the outreach efforts is an annual meeting, much like the annual meeting that affirmative action staff currently intends to have each year with the Agency's contracting generally. At the annual meeting, the Agency legal staff will present the scope of the Agency's legal matters, get introduced to firms,

invite firms to submit their qualifications and identify those firms that we might bring back to the Commission for inclusion on panels of firms from which we could draw outside counsel. In addition to that it is essentially just an aggressive campaign of networking and talking to other public agencies, other redevelopment agencies, minority professional associations and our existing firms in respect to identifying specific M/WBE firms to provide the services. As you know, many M/WBE firms are newer than the older established firms, they are being constantly formed by individuals who leave larger established firms and form their own firms, so it is important to keep very up to date on who the firms are, where the talent is in specific areas of practice. In addition, we have started to participate in the California Minority Counsel Program which was discussed at a previous meeting. An element of the program is for the Agency to become a more active participant in that program that provides a forum for identifying M/WBE's and for obtaining the necessary legal services for the Agency. As an element of that outreach, of course, joint venture and co-counsel arrangements would be emphasized. Essentially, I mean every time we would look at legal services, that would be a question that would come to our mind - is this an undertaking that would be suitable to have a joint venture or co-counsel arrangement? Just as each time we would undertake a legal matter, we would analyze whether or not the legal matter could be broken up or segmented and divided up among firms in that way so as to increase M/WBE participation. I am not suggesting that in each case the result would be "yes", but it is an analysis that we would do and a process that we would have to go through. As you know, in the bond counsel area we have been very aggressive in joint venture or co-counsel arrangements and bond counsel tends to lend itself to that. For our tax allocation bond issue this year, for example, we are using the firms of Arnelle & Hastie and Ochoa and Sillas and a couple of weeks ago we brought to you the real estate transactional joint venture of the Steefel, Levitt & Weiss with the Telles & Raifman firm so, again, this is not new, but is as a policy, in a sense, to codify that approach to dealing with the Agency's legal matters. Many commenters encouraged us to emphasize joint ventures more. Page 5 deals with the second element of the Agency's proposed program and that is what is characterized as a diversity component. Not only do we want to increase the Agency's M/WBE contracting, but for the non-M/WBE firms with whom we contract we want to encourage a diverse workforce for all minority groups and to assure that both hiring and retention support that goal. Essentially the premises are that minorities and women will always work at non-minority firms and there will be non-minority firms with whom the Agency contracts from time to time, so it is important to address both elements of the issues. One issue that has come up from time to time is the question of numerical goals with respect to workforces. Staff is not recommending that we adopt numerical goals that the Agency would impose on individual firms. We believe that that is an approach that is not flexible enough for the Agency's needs and in some respects becomes somewhat arbitrary as we attempt to determine what might be the proper measure of the number of attorneys in a firm. Our recommendation is instead to take a more subjective view of the workforce of a particular firm and make judgments as to whether that firm reflects a diverse workforce and if it doesn't to undertake the exploration of their recruiting and the retention efforts to see whether or not there are issues there that can be further addressed. Ultimately, if we are unsatisfied, obviously we don't hire a firm, but our feeling is that by putting in some kind of firm numbers that we deny ourselves the opportunity to hire a firm

that might otherwise be fine but for special circumstances, or a firm whose efforts we might influence by some kind of positive intervention. In a sense, staff is recommending a policy that here is a situation that merits further investigation, is this something in which our intervention can have positive results? And the underlying premise always is we are dealing with an entity that we want to hire to do legal work for the Agency to accomplish the Agency's mission, and constantly attempting to balance the various public policy goals with which we are charged with some kind of meaningful threshold of administrative flexibility.

COMMISSIONER BOLANOS

I seldom interrupt when staff is making a presentation but otherwise I am going to forget all the points you are making. What do you mean by positive intervention?

ROBERT FIREHOCK

For example, if there is a firm in which there is a feeling that there is not enough of a particular minority group, there is a question why do you not have any members of this particular minority group or why did you have two last year and none this year? The positive intervention may be finding out what the situation is and if it is something that we can address with any resources that we have, we would do that. In other words, we might be able to influence the course of employment in that firm if they desire to continue to do business with the Agency.

COMMISSIONER BOLANOS

To me that is not specific enough. I will make a note of this because I would like more clarification.

ROBERT FIREHOCK (Continues presentation)

Notwithstanding that staff is not recommending that the Agency impose numerical goals on the firm that it hires, we are suggesting that firms whom we hire be required to adopt the Bar Association of San Francisco guidelines on minority hiring and retention. As you may recall, that is the set of goals established by, or created by, the Bar Association and the legal community in San Francisco for hiring and retention of minorities and it sets goals for 1995 and then, I believe, the year 2000. We believe that it is necessary to be supportive, and appropriate to be supportive, of this effort of the San Francisco legal community, so that we would as a minimum threshold say to firms, we are not setting a number for goals on you, but we want you to join in this program which commits your firm to strive toward the goals that the legal community has established in San Francisco. We think it is appropriate in part because we want to really impose standards of behavior in organizations which will promote diversity through affirmative action hiring and not just try to take snap shots of numbers and then say firms again pass or do not pass. Some of the elements of our program, and this response is not tied to the notion of positive intervention, but some aspects of our program that we see as more active rather than passive, more getting involved rather than just being judgemental, are that the Agency will hire consultants. We will have consultants on retention for the Agency in the areas of minority and woman

hiring, retention and diversity. So in a situation where there is a firm that we may identify as having a situation which is not satisfactory to us, we will have resources that we can direct that firm to or that we can bring to that firm to try to address that problem. If the firm is not receptive then, again, because this is a contract situation, the ultimate remedy is we don't contract with that firm. However, if a firm is receptive to that sort of intervention, then it is our view that we have achieved, or quite possibly can achieve, a positive good in respect to the larger issues that we are trying to address. Essentially, those are the fundamental aspects of the program. On page 7 we deal with the specific contracting process which I alluded to earlier, that we will have firms on the panels which we use on an as-needed basis. We will revisit the firms on the panels annually, bringing them to the Commission for approval. Our contracts will use the panels and if the panels do not provide the services that we need in any particular situation, obviously we would undergo a solicitation process to bring in another firm, again which we bring back to the Commission. For example, for example, we would not intend to have a patent or trademark firm available on any kind of retainer, but if we ever had an issue like that we would go through our normal solicitation process to try to identify such a firm. The final element of the proposed program is the monitoring and compliance and the essential aspect of that would be quarterly reporting to the Commission on the results of the program so the Commission and the public would be able to look at whether the proposed program is achieving the results that we intend it to. If it did not, we would evaluate that program and come back and suggest corrections to the process or the approach that might achieve the goals we seek to achieve. I will end my part of the presentation at this point and suggest members of the public be invited to comment and participate in the process.

PRESIDENT HOM

Before we go on any further I would like to recognize former Redevelopment Agency Commissioner Jesse Arnelle.

JENNIFER BELL

Bob Davis could not stay but he wanted to say that it is a joy to be able to go to Steefel, Levitt & Weiss and see Dianne Milner there.

JOSE H. GARCIA, BRONSON BRONSON & MCKINNON

I spoke to you last June at the last workshop and I am honored to be able to talk to the Commission again on this subject which as well recognized last June is very important to the integrity of the contracting process for this fine City and also I think as a very valuable device for obtaining some justice. We are dealing with law firms here. Law firms are sophisticated, they are in the business of solving problems and they can certainly solve their own if it is made clear that it is necessary. In terms of the outreach to women and minority-owned firms I think that the goals here are very well stated but I think that you should be aware from my perspective being inside a large law firm that these firms that have the capacity to change, that have the capacity to meet challenges, every firm of any size in this City has already committed itself to a set of numerical guidelines/goals set up by the BASF program without blinking an eye so there should not be any reticence about making clear the commitment of this

panel to the large majority law firms in this town of what your commitment is and expecting them to demonstrate that same kind of commitment. Some concern was raised earlier about the prospect of a firm which meant well but perhaps have had some setbacks in meeting the BASF goals. I again point out that we are dealing with large sophisticated law firms. They are fully capable of advocating on their own behalf and providing explanations and demonstrating their commitment even if the goals have not been met but the important thing is to bring the pressure to bear so that you will get those answers and you will get a clear picture of whether justice is being served which I think is the underlying theme of this evening.

DENNIS MESINA, FILIPINO BAR ASSOCIATION

I attended that last meeting and I am quite encouraged by this addendum but there is still one thing that concerns me and that is specifically a policy program assuring small firms like mine that the Redevelopment Agency will adopt a policy statement to the effect that they will give, or will at least afford, firms like mine an opportunity to work with the Agency. I think it was mentioned at the last meeting that there are a lot of new attorneys who have left the big and medium sized firms and oftentimes a big corporation looks for counsel. Well the Redevelopment Agency is like a corporation. It looks out and says "are these firms qualified". It is like the chicken and egg question again. I really would like to emphasize the outreach program is the most important in this policy and procedure and I would recommend, although I am sure it is subject to some opposition, that a policy statement be made specifically stating that "x" percent of the Agency's work will be referred to minority firms.

ENRIQUE RAMIREZ, LA RAZA LAWYERS

I was here also in June for the presentation on the same subject. I would like to reiterate that the memorandum proposed by staff is commendable. However, I think the Agency in adopting a set policy for requiring the hiring of minority attorneys whether they be in large law firms or especially contracting with small size firms which would be minority-owned is crucial. We look at ourselves as pioneers in this field and we also look at the future and we look at the diminishing number of students that have been admitted to law schools. You cannot get anybody to go to law school unless there is enough probability of jobs in the future. With regard to City and County funds, whether the pie is large or small, we are all entitled to share in it. Tomorrow is always far away. We would like adoption of this policy and referring to those proposed by the Bar Association with respect to the number of minorities that should be retained by the large law firms, that that be adopted by the Agency as their policy. We commend the work of the Agency in developing this memorandum and hope the Redevelopment Agency will adopt a, not a quota, but a goal so that we can achieve further diversity in the issuance of contracts for legal services.

CLIFTON JEFFERS

I don't know what happened to the mailing process but I did not receive notification of this workshop. I learned of it by chance. I called Mr. Firehock and he was kind enough to fax me this afternoon a copy of the proposal under consideration so although I have not had an opportunity to

study it, I certainly have had an opportunity to read it. It is good to see that the Agency is taking steps toward greater utilization of women and minority-owned law firms and in considering the diversity of majority firms in connection with contracting for outside legal services. I wish to commend Commissioner Bolanos for being the spark plug who set in motion this process leading towards a more formalized program in this area. In the June workshop there was considerable discussion concerning goals, in fact, one might say that that issue very well dominated the discussion. The goals discussion had essentially two aspects. One, the percentage of minority lawyers in a majority firm as a basis for selecting the majority firm for outside legal services. The percentages discussed ranged from 15 percent to 30 percent. Number two, the percentage of business to be targeted by the Agency for awards to minority and woman-owned firms. The draft proposal that you have under consideration speaks only to the goals issue in terms of adopting the goals that have been proposed and/or adopted by the San Francisco Bar Association. I would recommend and suggest the following for each fiscal year: 1. For each category of legal services needed that a specific goal be established for the utilization of minority and woman-owned firms. I would suggest the goals here of 50 percent. 2. In those instances where a majority firm is used that it be required to joint venture with a minority firm on a fifty-fifty basis and by a fifty-fifty basis I simply mean that each share the work equally and each share the compensation equally. Now I would not suggest that that be a hard and fast rule, I would suggest that as a starting point, certainly the firms are capable of negotiating adjustments as they see fit. 3. That there be an annual review at the end of each fiscal year for the purpose of considering, where needed, additional actions that might be necessary to achieve the Agency's goals. The proposal to hire Agency consultants to advise contract law firms would not appear to be an obligation that the Agency should assume. If a law firm, whether under contract with the Agency or not, needs such services perhaps the Agency could refer it to a firm that provides the type of consulting services it needs. A number of other suggestions were made in terms of requiring law firms to do certain film or video presentations to adopt written diversity, statement and the like. These are fine suggestions, however, the success of this new thrust is to increase the use of majority firms with significant diversity. The use of minority firms should be based on the results achieved in the context of the goals that have been set by the Agency. If a majority firm comes to understand that the Agency is serious about its goals, it is interested in your business, it will take the necessary steps to achieve them without hand-holding from the Agency. I think the outreach efforts described in the draft under consideration should be helpful in facilitating the achievement of the specific goals I have recommended above and I again want to underscore what I believe to be very significant progress that is being made by this Commission and the Agency staff. It strikes me as interesting that as long as the Agency has been a significant and, I believe in most instances, a strong advocate of diversity in other areas, it is way late in coming to recognize that there is a need in the area of legal services. And so, for anyone and all of you, who are responsible for having reached this point, I commend you and I hope we move forward.

COMMISSIONER BOLANOS

I thank you once again for taking time from your busy schedules to come before us. As some of the speakers said this is a significant step for the Agency and I have some comments and questions of staff. And I am happy to see that some of you have raised the same issues that I was about to raise. More importantly I would like to urge my fellow Commissioners that the reason we held a workshop and the reason why I pushed and moved for having a policy would be to really have a policy that would be significant and bring significant benefits to minority owned law firms and lawyers and I felt that what this policy draft significantly lacks was a policy statement that said this is our intent. I remember I heard Mara Rosales, and some of you heard her, and what I was particularly interested in was that the City had higher goals than the San Francisco Bar Association goals. I see that some of you who are members of the Bar Association and are here today, even admitted that perhaps the 15 percent overall goal was not going far enough. What I was very concerned about was that we not only have a consistent policy that really means something but that we also be consistent with City policy and so I would like the Commission to really address the issue of having a policy statement so that we can put the whole draft in a particular perspective. I wanted to address a couple of other points. I remember very clearly when I sat at this workshop that the issues Mr. Jeffers raised were the issues that were constantly brought up by a lot of people. One was the fact that we needed to find ways to increase the number of participating minority firms in segmenting our contracts. Two, in instances where there were large firms and because of their expertise and so forth that we would encourage and make it a policy of having joint ventures and there was a lot of discussion about the Minority Counsel Program. Point number three, I was particularly concerned about hiring consultants, of having somehow when we were discussing a policy to benefit and to open opportunities to women and minority owned law firms and lawyers, somehow when we had talked about hiring of consultants and spending effort and showing a video we were somehow shifting more of our concerns to people with larger firms. As mentioned by a speaker, some people who came from larger firms explained to us extensively the efforts the firms have themselves adopted. So I really would like to encourage my fellow Commissioners that the whole issue of hiring consultants is totally irrelevant as to the objective of why we started this process so I want to make sure that we do address that. The last point I wanted to make was that I remember and I was interested consultants understanding of that consideration because I think they are the ones who do this on an every day basis. When we talked about the four different types of work that we have and that we would do it with panels of lawyers and on a transaction-by-transaction basis and then we do it on a competitive basis, in some instances competitive or non-competitive, based on the particular situation. I was really concerned that in the wording when you talk about how in MBE and WBE work that it was important to extend the outreach efforts. However, in our language on page 4, where it says develop a panel of firms available for complex transactions, why are we silent as to having the Agency be really forceful in expanding an M/WBE panel of firms? Because I understood staff saying that we already had a panel of existing firms and what we were lacking is perhaps increasing the number of minority-owned firms on the panel. So I would like the wording to be a little stronger in reference to that. Finally, I don't want to take the whole time because the Commissioners will make additional comments, but I

also wanted to address the issue as to why we do not have goals and I remember what we raised was that the Bar Association has a 15 percent overall goal, and that is how this whole issue was raised and they were a particularly under-represented group. So I do think we can adopt the Croson study findings and the findings of the City of San Francisco. I would like to pose the question, why can't we also adopt particular goals? So I just thank the President for allowing me all this time and I encourage my fellow Commissioners to add any more questions they have.

COMMISSIONER ONG

To get the background on this because I came in after the June workshop, I did request Agency staff to provide some background about our three years' past minority legal consultant hiring and I would like to share that with the public. In 1989-1990 we expended \$756,483 on legal consulting contracts. In 1990-91 we expended \$691,216 and in 1991-92 \$1,723,000 so that is the extent of the money we have spent. It may be more, if I am wrong, please correct me. Then I looked how much of those years' awards went to minority law firms and I am sorry to see that minority law firms and woman-owned firms are lumped together because sometimes it is very hard because a lot of the minorities get hidden, the statistics get hidden by the fact that many of the woman-owned firms are white so I wish we could have a separation in the gathering of statistics in our annual review so that women and minorities are separated. In 1989-1990 in our regular law contracts about 11 percent went to woman-owned and minority law firms. In 1990-1991 the figures show that 14.13 percent went to woman-owned and minority law firms. In 1991-1992 I think we have a dismal record and it was very appropriate that our fellow Commissioner Bolanos raised this issue because the awards made to woman-owned and minority law firms was 2.83 percent. It is about time we investigate it and study our problem. In bond counsel it was separated out and in that case woman-owned and minority law firms got zero percent in 1989-1990, 7.84 percent in 1990-1991 and 15.15 percent in 1991-1992. I think you can see that by totalling those two figures, the bond counsel and the regular law contracts for 1989-1990 we got 7.5 percent to minority and woman-owned law firms, 1990-1991 we got about 12 percent and 1991-1992 we got 8.4 percent. Again I don't think that is a very good showing, it is lower than the San Francisco Bar has recommended, it is much much lower than the City has adopted so I think it is well taken we are working on this. I just wanted to give the summary to show that it is not necessary and I encourage my fellow Commissioners that we really need to do something very affirmative to turn this around.

At Commissioner Stern's request, the following persons were identified as being present:

H. Jesse Arnelle and William G. Harris, Arnelle & Hastie; Jeffery Woo and Neil Sekhri, Sekhri & Woo; Dianne Milner, Steefel, Levitt & Weiss; Melanie Grant, Brobeck Phleger & Harrison; Garrett Wong and Thomas Lee, Wong & Lee; Jose Garcia, Bronson Bronson & McKinnon; Dennis Mesina, Filipino Bar Association; Paul Gutierrez, Gutierrez & Associates; Tyree Jones, Law Offices of Tyree P. Jones; and Kevin Fong, Pillsbury, Madison & Sutro, and representing the San Francisco Bar Association.

PRESIDENT HOM

As Commissioner Stern indicated, it is so nice of the legal profession to be here with us this afternoon. As I heard earlier, definitely the legal profession is a key element of our daily lives so again ladies and gentlemen thank you for being here.

COMMISSIONER KITAHATA

Given that Commissioner Bolanos was asking about goals, I Just wanted to ask staff, my understanding is that the reason we cannot adopt policy goals right now as Jennifer Bell was saying is that we have to wait for the conclusion of the background studies that are being done and to adopt goals at this time would be premature, is that a correct assumption?

DAVID MADWAY, AGENCY GENERAL COUNSEL

There are a couple of reasons why staff is reluctant to adopt specific goals. One is in order to make the goals sensible we have to break it down by specialties. In other words, if we are out looking for a law firm that has expertise in addressing California Environmental Quality Act (CEQA) issues, a relevant market becomes how many firms are there that have that as a specialty, how many minority firms are there that undertake that type of activity, what is the percentage. That becomes the benchmark for the establishment for goals. We would have to go through and essentially segment the legal industry in San Francisco and establish the available market, specialty by specialty. I am not aware at this point that there is an available statistical base that we could draw from to accomplish that. I certainly would be interested in hearing if there was such a base. So that is not a short answer but it is one of our concerns.

COMMISSIONER BOLANOS

I would like staff to clarify a point. I remember a particular testimony by Mara Rosales and it could be I am confusing the issue, but I remember Buck Bagot asking the question specifically about setting goals and she answered that the City had adopted goals and they had a finding and it was a testimony that went before the Board of Supervisors specifically related to San Francisco minority firms and maybe I am confusing the two issues but I would like the record to show, and maybe Mr. Hattem remembers that, and too bad I don't have the transcript of the records but Mara Rosales stood up here and said that we can adopt the City findings and based on that understanding that I mention the issue of goals and I would like for us to find out and clarify that point but that is what I understood then. If somebody can provide me with a copy of the transcripts because I have misplaced mine.

JENNIFER BELL

I think I could answer in relation to Mr. Bagot's question to me earlier and the City does have goals and presumably we could adopt their findings but it also goes to the issue that the Coalition for Economic Equity was raising with us and which our economist has been discussing with them in terms of a methodology for the Croson study and there is a question as to the methodology which maybe we can discuss separately, but I have not

talked to Mr. Madway about this. I assume it is the same methodology that was used in their Croson study. NERA and we did not study lawyers separately, so we would have to do a separate study to get our own. NERA questioned that methodology and our reaction is that NERA is correct.

COMMISSIONER ONG

In the San Francisco study was there a finding. I believe there was a finding of past discrimination against women and minorities in legal contracts.

JENNIFER BELL

You mean the San Francisco City study? Ms. Ong - yes. Ms. Bell - I assume so, I mean in the sense that by adopting the goals they were saying that the statistics and anecdotal evidence showed that there was discrimination, so I assume there was a finding.

COMMISSIONER BOLANOS

There was a finding. I read the finding at the workshop. Perhaps some of you don't remember but I read it because I had a copy of that. There is that finding and I am still not sure what you are talking about with regard to methodology.

JENNIFER BELL

I am reluctant to criticize in public the methodology a contractor for the City used. We have problems with that, but that is one of the issues we are discussing with the Coalition for Economic Equity.

COMMISSIONER BOLANOS

Perhaps it would help to submit to the Commission further clarification of this particular issue. Ms. Bell - sure.

PRESIDENT HOM

Thank you Jennifer. Are there any further questions or discussions on the workshop by the Commission members?

COMMISSIONER ONG

We have an Affirmative Action Officer on staff and I wonder what part Mr. Hattem plays in this study of legal consultants.

BEN HATTEM, AGENCY AFFIRMATIVE ACTION OFFICER

I would have to say that I was a collaborator as far as this particular program I participated in its preparation. Ms. Ong - could you explain your participation in more detail. Mr. Hattem - I made suggestions for changes, it went through eight or ten drafts until we got to this point. Ms. Ong - and along with you working out this draft particularly who were some of the other participants in our Agency? Mr. Hattem - David Madway, Bob Firehock, Jennifer Bell, Louis Preston and Sylvester McGuire. Perhaps

I could comment on a couple of the questions that were raised. I think Mara Rosales referred to two different things. One was the findings of discrimination by the City in the hiring of minority law firms and it would be difficult for us to adopt their discrimination as our discrimination. That resulted in goals of 20 percent for African-American, 20 percent for Hispanic and 20 percent for Asian/Pacific law firms. By simple addition, that's 60 percent. Our staff and consultants finds a problem with that as an availability figure. That is, if you establish goals, you have to establish them based on what the percentage of available law firms are in our market. The other thing Ms. Rosales made reference to was the findings of the Bar Association. If you will recall, they had a study done by University of California Professors and based on that they found discrimination in employment by law firms. I have not seen goals for employment by law firms hired by the City.

EDWARD HELFELD, EXECUTIVE DIRECTOR

Staff will reflect on what they have heard from both the public and the Commissioners and report back to you.

COMMISSIONER ONG

According to my introductory remarks here, we have seen in the past few years that the affirmative action program in hiring minority and woman-owned legal consultants has not been very good and rather than postpone this for the future I would like to see some implementation of action in this year and the next year for large law firms that do not have an affirmative action program in place that we feel meets our standards. And we have not set our standards. First of all I would like to see some goals set in our policy and then when we find that large firms do not meet the affirmative standards that we have in mind that maybe we just don't hire them unless they offer some kind of specialty that a minority firm does not offer and then we would ask that they joint venture with small and local minority firms. I would like to see some of the language changed, maybe not necessarily changed, but there seems to be a buzz word here that bothers me a little. Maybe I should not be bothered by it but I see lots of discussion about "complex" transactions. I think that is more specialty transactions, there are firms with a specialty. I think complicated or complex transactions are not necessarily complicated, you just have to handle each issue. As lawyers we handle each issue separately and, therefore, they become simple. There are many issues and if that is what you mean by complex they still can be handled I think by most reputable attorney firms because they just break them down and handle them piece by piece. So I am a little bothered by that language and I wish we could have some discussion about that. It is hard to go through all of these, I did say I would like to see a breakdown separating women from minorities and I don't need to repeat that. I would like to know who in this Agency is working on establishing this panel of attorneys that we are going to use. And I would like to see that the main outreach be for that panel that we are going to have on hand to use be for including minority and woman-owned law firms because I guess we do have a large panel of other firms. I wanted to see that implementation stressed. I would like to see if it is possible for us to adopt the City goals which found past discrimination. I would like to see that adopted into our draft final proposal.

COMMISSIONER KING

We have a couple of lawyers and I want to bring it right out straight - there are other problems in this Agency besides the legal profession. We have got to talk about discrimination in jobs and equality and need to talk about this total Agency. We are not just going to single out lawyers but a professional field and when we have a policy we are going to have a policy that is for everybody. I am not just going to sit here and hear that there has not been any kind of policy. You have got some figures here. I think they are wrong. But there have been some programs done in this Agency and I don't like the emphasis of the two Commissioners because they are lawyers. I am not a lawyer, I am an old professional worker right off the job. When we talk about affirmative action we are talking about an affirmative action policy for this Agency, not just for the lawyers and I am not going to sit here and say we are going to make a special category for these legal firms. If we have problems there, we address them on the basis that we want to address every other department in this Agency. I want to get this straight, lawyers are no different, they are workers just like anyone else, they might do professional work but when we talk about policy and discrimination and affirmative action we are talking about every phase of this Agency. I want to say, you are talking about setting up a panel of lawyers. I am not giving my responsibility to a panel or anything else because it is my responsibility to make sure that affirmative action works. I don't need anybody else out there surveying and giving me ideas. That is another bureaucratic state that I don't need, so let's get that straight. I think the workshop has been good, we have had a lot of input in the last two workshops on the legal thing but there are many other things when we talk about the goals and so forth, it is not just the legal profession.

COMMISSIONER STERN

I just want to make sure we don't just go away saying that we are going to adopt the City's Discrimination Policy. The Agency has not been found to discriminate. I don't think we should say we are going to adopt this Discrimination Policy. You said that the City found a certain category or percentage of discrimination. I don't want to leave here thinking we should adopt what the City adopted. We should have our findings on what we think has been discriminatory and correct it on the basis of what we found, not on the City's discrimination. And I think that they have been much more remiss. They are a much larger entity and much broader and I think that in the case of the City, the City actually had to change because it was more neglectful than the Agency. I think the Agency has been better in that case, but at least we should try to find out what we have done and correct our particular thing. The program should not be tied to the City.

COMMISSIONER BOLANOS

I want to say that I totally agree with Mr. King that we should establish and overall policy and the reason we began with lawyers was because the issue came up. But I totally agree and support the statement that you made because the reason we are trying to have a policy is so we can be consistent and it should cover all contracting for professional services. Please do not think that just because we are dealing with a legal workshop (the reason we had the workshop was because of a particular situation that

occurred) that I am not supportive or I am favoring one particular profession over another. Finally, I would like to ask staff to continue the procedure of having the minutes of this meeting sent out to all the participants who are here today. I would like to ask Mr. Helfeld, since we have now had our second workshop and there have been additional comments, what will be the steps prior to implementation of a final draft.

EDWARD HELFELD, EXECUTIVE DIRECTOR

I have to confer with my colleagues but it seems to me that there are certain basic issues that have to be resolved in terms of how the Commission would like to approach this. Pretty clearly there is a question of should we have goals or can we have goals and it was said by members of the Commission and the audience that yes we should have goals. I think that does relate to what Jennifer Bell was talking about earlier, I think that is a significant question. Ordinarily in a workshop we would come back to you with specific recommendations. I think there are enough issues that are still up in air here that we ought to have further discussion after we reflect on what you are saying and what the audience is saying. I don't think it would be productive to try and put together and come back with a formal action in a week or two weeks. I think we have got to come back and discuss with you some of the implications of what has been raised.

PRESIDENT HOM

This afternoon we have had the opportunity to listen to staff and lawyers from throughout the San Francisco Bay Area and to listen to our own Commissioners' concerns, the pros and cons and finally we have listened to Mr. Helfeld's comments. I think you hit the nail on the head. It appears that much work needs to be done before final action by the Commission. With that in mind I think the topic has been discussed long enough and staff knows there is certain work to be done so let us get it done and we will all communicate again very soon.

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
9TH DAY OF FEBRUARY, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:08 o'clock p.m. on the 9th day of February, 1993, the place and date duly established for the holding of such a meeting.

President Hom indicated that he was indisposed due to a cold and Ms. Ong would Chair the meeting.

The Vice President called the meeting to order and on roll call the following answered present:

Ben L. Hom, President
Cynthia Choy Ong, Vice President
Sonia S. Bolanos
Leroy King
Gary Kitahata
Clarence R. Stern

and the following was absent:

Buck Bagot (Arrived 4:20 p.m.)

The Vice President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Tadashi Kawawaki and Kevin Stennett, ANA Hotels; Joshua Newman, Budget Analyst for the Mayor's Office; and Kathleen Harris, Coordinator for the Mayor's Office's After-School Program.

APPROVAL OF MINUTES

It was moved by Mr. Hom, seconded by Ms. Bolanos, and unanimously carried that the minutes of the Closed Session meetings of December 1, 8, 15 and 22, 1992, as distributed by mail to the Commissioners, be approved.

Vice President Ong announced that the meeting would be recessed to the Second Floor to the Display Commemorating Black History Month.

The meeting recessed at 4:10 p.m., and reconvened at 4:20 p.m., with the same roll call, with the addition of Mr. Bagot.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in an amendment to the LDA with ANA Hotels located on the southwesterly side of Third Street; Yerba Buena Center.

Vice President Ong opened the Public Hearing to hear all persons interested in this matter.

David Madway, Agency General Counsel, introduced item (a), which requests authorization of an amendment to the Land Disposition Agreement with ANA Hotels San Francisco, Inc. concerning the purchase of additional land located on the southwesterly side of Third Street in Yerba Buena Center. ANA purchased the former 675-room Meridien Hotel at 50 Third Street in 1988, which was completed in 1983 pursuant to the Land Disposition Agreement (LDA). The parcel along the southerly boundary of the hotel was to have been developed under the Disposition and Development Agreement (DDA) with Yerba Buena Gardens, L.P. (YBGL) as open space and public access from Third Street to St. Patrick's Plaza and through the retail to Market Street. However, prior to termination of the YBGL DDA, YBGL returned this parcel to the Agency for sale to ANA provided that certain conditions were met, including release by ANA of an easement ANA has through the retail and the Central Block 1 (CB-1) Office parcel and provision of a public right of way to St. Patrick's Plaza. ANA has agreed to meet those conditions and now wishes to proceed with the purchase and development of this land as an amenity to the hotel. The development of a pedestrian walkway in this area has been delayed in order to coordinate it with YBGL's development of the retail and St. Patrick's Plaza. This will provide an opportunity to have it developed, secured and maintained. It will also permit the ANA to place outdoor artwork which is owned by the hotel to meet the public art requirement under the original LDA. Staff recommends approval of the amendment and the sale of the land to the ANA Hotel because it will result in the immediate creation of an attractive outdoor environment which would otherwise be delayed for several years and enable the placement of ANA's artwork for the enjoyment of the public. In addition, it will eliminate the easement through the CB-1 Office Parcel and whatever difficulties it could have presented in the development of the CB-1 Office Building.

Mr. Madway noted the presence of Tadashi Kawawaki and Kevin Stennett, ANA Hotels.

There being no persons wishing to appear in connection with this matter, the Vice President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 17-93 BE ADOPTED.

NEW BUSINESS- CONSENT AGENDA

Vice President Ong indicated that: at the request of Mr. Bagot Consent Agenda items (a) and (d) would be removed from the Consent Agenda; at staff request item (c) would be removed from the Consent Agenda; at the request of Mr. Kitahata item (i) would be removed from the Consent Agenda; and all considered as Regular Agenda items.

THE ITEM LISTED HEREUNDER CONSTITUTES A CONSENT AGENDA, IS CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WAS ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (b) Authorizing a Letter Agreement with the Department of Public Works of the City and County of San Francisco for conceptual plans and report for urban design improvements on Sixth Street between Stevenson and Harrison Streets in an amount not to exceed \$32,500; South of Market.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM (b), RESOLUTION NO. 23-93, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (a) Darby Kremers, Real Estate Development Specialist, introduced item (a), which requests authorization of a Third Amendment to Land Disposition Agreement (LDA) with Harrison Development, Inc. for Parcel 3763-A located at the southeast corner of Third and Harrison Streets; Yerba Buena Center. Subsequent to approval of the LDA in December 1990 for the development of a neighborhood serving shopping center and two live/work units, all design development has been completed in accordance with the LDA performance schedule. Although the developer has undertaken significant outreach efforts to solicit interest from retail tenants, the inability to obtain preleasing commitments has prevented financing of the project. The LDA requires that at least 7,500 square feet of rentable floor space be devoted to neighborhood serving businesses which are defined as those which supply retail goods and personal services meeting the needs of nearby residents, including a grocery and produce market specializing in Asian food products, but there is a weak tenant interest in the project, largely attributable to the current economy. However, there are now some signs of improved business confidence and interest has been shown by larger users requiring 10,000-15,000 square feet of space but not meeting the neighborhood serving retail definition now required under the LDA. A fast food restaurant has long been desired by the neighborhood, particularly senior citizens, and a strong interest has been expressed by Burger King which would develop approximately 3,000 square feet on the ground floor. It is uncertain how much time will be required to obtain lease commitments for the other 4,500 square feet of neighborhood serving retail under the LDA, however, the developer and leasing broker are confident that lease commitments could be obtained from one of several space users who have inquired about the property if the neighborhood serving retail component could be reduced to the space needed to accommodate Burger King of approximately 3,000 square feet, or another fast food restaurant. In this connection, the developer is requesting a modification to the amount of neighborhood serving retail so a fast food restaurant would be sufficient to meet that requirement as well as an extension for submission of evidence of financing to August 1, 1993 and an extension for conveyance of the site to

September 1, 1993. The developer recognizes that the neighborhood serving retail component became a requirement in the LDA because it was an element of the proposal they made to the Agency which led to their selection as the project developer. The developer has diligently pursued neighborhood serving retail tenants in an effort to meet that commitment and since March 11, 1992 paid the Agency a non-refundable 10 percent opportunity cost fee of \$7,500 a month, totalling \$80,000 to date, and will continue to do so until the property is conveyed.

Mr. Bagot noted his concern that the developer promised something that has not been delivered and suggested the developer self-subsidize the part of their proposal that was particularly attractive to the neighborhood organizations that were encouraged to accept it.

Mr. Helfeld indicated that the neighborhood organizations, who recognize that a bad market exists, find this proposal acceptable and are particularly interested in a fast food restaurant. Staff has monitored the project closely and feels the developer has made good faith efforts. In addition, a considerable amount has been expended in cost opportunity fees and it not believed reasonable to request the developer to self-subsidize a portion of the development at this time.

ADOPTION: IT WAS MOVED BY MR. HOM, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 22-93 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of a Second Amendment to the contract with the South of Market Foundation to extend its subcontract with Greg Roja, AIA, in an amount not to exceed \$15,000; South of Market. It is recommended this item be tabled.

RULE OF THE CHAIR: VICE PRESIDENT ONG INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (c), RESOLUTION NO. 24-93, WOULD BE TABLED AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (d) David Madway, Agency General Counnsel, introduced item (d), which requests authorization of the write-off of uncollectible vacated residential and commercial rental accounts from 1985 to present, and amending the procedure for writing-off future delinquent accounts for all Project Areas of the Redevelopment Agency of the City and County of San Francisco. The requested action would authorize the write-off of \$51,453.69 in delinquent rental accounts deemed uncollectible. The total represents six residential and eleven commercial vacated accounts covering a period from 1985 to present. There are two additional vacated accounts, both by P & K Trucking Company, which are not recommended for write-off due to potential litigation. All are vacated accounts. The action would further provide for the Agency to write-off uncollectible accounts at the end of each fiscal year, upon written recommendation of the Assistant Director, Community Services, following consultation with Agency

General Counsel and the Deputy Executive Director of Finance. Staff will provide the Commission with a report of delinquent accounts written-off annually.

In response to an inquiry from Mr. Bagot regarding property occupied by Mary Rogers at 1866 Turk Street, Mr. Madway indicated that the Agency has initiated an eviction action and in the course of that action delinquent rent will be sought.

Mr. Bagot inquired why this account was not included in the list and Louis Preston, Assistant Director, Community Services, indicated that only vacated accounts are listed.

ADOPTION: IT WAS MOVED BY MR. HOM, SECONDED BY MS. BOLANOS AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 25-93 BE ADOPTED.

- (i) Mr. Helfeld introduced item (i), which requests authorization of an expenditure of \$5,895 to permit the Commission President to travel with the Mayor to the Far East to market Agency real estate opportunities. Mayor Jordan will be travelling to the Far East in February 1993, accompanied by a number of City officials, for the purpose of marketing a variety of economic development activities to investors. The purpose of the travel for President Hom would be to stimulate investor interest in Agency-owned property as well as private parcels where the Agency would like to see development occur in the future. The development of the Agency's parcels in Yerba Buena Center are critical to the Agency's objectives in that area and necessary for repayment of the General Obligation bonds issued in 1992. Both Agency staff and Olympia & York representatives have seen considerable potential investment from the Far East as a source for the major Yerba Buena Center parcels and noted serious interest from these investors. It is therefore believed that this travel cost for the purpose of generating interest in this real estate is justified.

Mr. Kitahata noted that the amount now proposed for this travel is 25 percent higher than the initial amount discussed with the Commission.

Mr. Helfeld indicated that he was not aware of the original amount discussed with the Commission, however, a number of different rates had been obtained for taking the trip, which indicated: a first class air fare with a single occupancy hotel room, \$9,300; an economy air fare with a shared hotel room, \$4,700; and an economy air fare with a single occupancy hotel room, \$5,895, which is recommended and not believed to be unreasonable.

Mr. Kitahata noted that the reason he had this item removed from the consent agenda was that he would like to request a roll call vote because he wanted to go on record as abstaining. He indicated he would not cast a no vote because there is nothing illegal about this proposed action, which it is clearly within the legal purview of the Commission, however, he did not believe

it appropriate to approve this expenditure at this time. The Agency's three largest vacant properties are Central Block 1 (CB-1), East Block 2A (EB-2A) and East Block 2C (EB-2C) in Yerba Buena Center. There are discussions currently taking place for a hotel development on EB-2A and a museum/condominium development on EB-2C. CB-1 is under option to Olympia & York until March 1, 1993 and the Agency is expressly forbidden to market the parcel until after that date, so this trip does not seem appropriate when the Agency's largest parcel is not available for marketing. It would be a different situation if this trip was taking place a month later.

Mr. Helfeld indicated that Mr. Kitahata is correct regarding the inability to market CB-1, however, the market is such EB-2A and EB-2C are problematic and to the extent interest can be stimulated anywhere in the world, it is believed to be to the advantage of the Agency. Those two properties could bring the Agency anywhere from \$25 million to \$30 million so the expenditure of less than \$6,000 on a marketing venture seems very reasonable. In addition, Matthew Witte, the developer of the site at Third and Mission Streets in Yerba Buena Center, has made marketing brochures available to see if there is interest from the Far East in terms of investment. It would be more advantageous if the trip were a month later, but this is an opportunity to market the City and the Yerba Buena parcels. To advertise the properties in national magazines would cost a great deal more than the expenditure for this trip so this seems like a very reasonable investment for the Agency.

Ms. Bolanos inquired regarding a marketing strategy for the trip and whether there will be a report on marketing efforts so the Commission can understand the situation in terms of potential investors.

Mr. Helfeld indicated that a sufficient number of brochures have been assembled for President Hom for discussion with potential investors in six cities. The material describes the properties, land uses and the incredible public investment being made in the Yerba Buena Center area. The President will be making a report when he returns from the trip.

Mr. Stern noted that the expiration of the Olympia & York extension date is not far away and in the real estate industry it is not unusual when a transaction is about to expire to talk to other people, admitting that a possibility does exist.

David Madway, Agency General Counsel, indicated that there is very clear language in the Agency's Option Agreement with Olympia & York that expressly forbids any marketing of CB-1 until after March 1, 1993. He noted that the Commissioners have been provided with a memorandum underscoring the importance of strictly observing that limitation.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, THAT RESOLUTION NO. 30-93, BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Bolanos
Mr. Hom
Mr. King
Mr. Stern

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

Mr. Bagot
Mr. Kitahata
Ms. Ong

THE VICE PRESIDENT THEREUPON DECLARED THE RESOLUTION CARRIED.

Vice President Ong indicated that item (g) would now be taken up.

- (g) Robert Gamble, Deputy Executive Director, Finance, introduced item (g), which requests authorization to expend \$22,000 for the remainder of the Fiscal Year in support of the Mayor's Office's After-School Program. This funding will pay for the salary costs of one employee of the Mayor's Office who will administer the program, the goal of which is to provide meaningful after-school activities to students at a number of existing school sites. The funding is being requested by Mayor's Office as start-up money and its source would be a portion of the \$500,000 recently returned to the Mayor's Office of Community Development from a loan repayment. A similar program has been created in Los Angeles in cooperation with the Los Angeles Community Redevelopment Agency and staff finds the proposed program for San Francisco fits into the overall goals and objectives of this Agency. It should be noted that this program is separate from the Youth Employment Program funded last year as proposed by Supervisors Kennedy and Gonzales.

Joshua Newman, Budget Analyst for the Mayor's Office, indicated that on February 9, he and three Commissioners had an opportunity to brief the Mayor on some of the projects the Agency is currently working on during this budget cycle and beyond. Last year in conversations with the then Superintendent of Schools, the Mayor had talked about his interest in doing more for children in conjunction with the School District and the Superintendent responded by introducing him to the best program in Los Angeles, which is a very successful collaborative effort among the City, the School District, the Community Redevelopment Agency and the private sector. The program is in its fifth year and comprehensively addresses the needs of children in at-risk areas and fulfills a critical need by reconnecting these children

and their families to services in Los Angeles. It offers academic, recreational and cultural opportunities and creates a safe environment for children to grow and develop during a time when every family is under strain. San Jose has adopted a similar program which successfully meets the needs of that community. Mayor Jordan has designated Kathleen Harris to design a collaborative program and she will brief the Commission on the concept and its implementation. The intent is to develop a pilot program by September 1993 in two schools, located in redevelopment areas if the Commission chooses to participate in this project.

Kathleen Harris, Coordinator of the Project, described the Los Angeles program in detail and the program proposed for San Francisco for which the Los Angeles program will be used as a model. She noted that the need for the program emanates from social and economic factors that have significantly altered the educational support system because of cuts in funding for traditional after school programs and of childcare opportunities for working parents.

In response to an inquiry from Mr. Kitahata, Mr. Newman indicated that the program is separate and distinct from the Youth Employment Program because at this point in its development there is no specific connection to the other program. Agency staff and Ms. Harris have discussed integration of the programs, but at this point the Agency funds would be for program design and integration would take place afterwards.

Mr. Kitahata inquired as to the rationale for the Redevelopment Agency funding a City-wide program and the connection between this program and the redevelopment function.

Mr. Newman indicated that the rationale is that Ms. Harris is in the process of developing a model which would then be replicated City-wide. That model would start in two sites in redevelopment project areas and then the program will be expanded to other project areas. Given the experience of Los Angeles and San Jose, the Agency is well suited to assist in developing that model, following which the program and funding will be expanded accordingly.

Mr. Bagot noted his support of the program because it will start in redevelopment areas and there is a need for it, particularly in Hunters Point, the Western Addition and the South of Market areas.

President Hom noted his concurrence with Mr. Bagot's comments.

In response to an inquiry from Mr. Stern, Mr. Newman indicated that the question of the expenditure of tax increment funds on a project of this nature has been raised which Robert Gamble, Deputy Executive Director, Finance, has reviewed and it appears there is a legal precedent in both Los Angeles and San Jose to

justify the use of those funds because they are being used in redevelopment project areas.

In response to an inquiry from Mr. King, Mr. Newman indicated that eventually the program will be replicated City-wide but in developing a model it is proposed to begin in redevelopment project areas.

In response to an inquiry from Ms. Bolanos, Ms. Harris indicated that it is proposed to try to achieve a public/private partnership and corporations and foundations will be approached to provide funding for the project.

In response to an inquiry from Mr. Bagot, Ms. Harris indicated that public schools will not be making a financial contribution but will provide staff and facilities which are very necessary to the project.

Ms. Ong inquired why the proposal has not been taken to the Children, Family and Youth Department of the Mayor's Office that has funds for such programs, rather than the Agency, and after expenditure of the \$22,000 to get the model started, what will be the source of funding for the program.

Mr. Newman indicated that at this point in the development of the program it is not possible to apply for such funding, however, once the model is up and running the Mayor does intend to make that connection to the Children's Services Plan. It is not planned to approach the Agency for a greater level of funding to justify the expansion or application of the program.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 28-93 BE ADOPTED.

Vice President Ong indicated that item (f) would now be taken up.

- (f) Mr. Helfeld introduced item (f), which requests authorization for staff to take the necessary steps to institute an Internship Program for high school students. The Agency has previously utilized summer internship programs for both college and high school students, which have been successful in providing valuable service to the Agency as well as providing a learning experience to the intern. The proposed program will introduce high school students to the functions of local government. Costs for the program can be accommodated within the Agency's existing and proposed budgets. This suggestion was made by President Hom and it is hoped it will be followed by other City departments.

President Hom indicated that this is an excellent program for the Agency to undertake and perhaps other City Commissions will follow suit.

In response to an inquiry from Ms. Ong regarding alternative sources of funding for this program, Mr. Helfeld indicated that no Agency funding is required.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 27-93 BE ADOPTED.

President Hom left the meeting at this time, 5:05 p.m.

- (e) Public Hearing to hear all persons interested in a time extension to an existing variance to United Savings Bank; Western Addition A-2.

Vice President Ong opened the Public Hearing to hear all persons interested in this matter.

Thomas Ma, Senior Staff Architect, introduced item (e), which requests authorization of a time extension, until June 19, 1996, to an existing conditional Variance, which reduced the off-street parking requirements in the Western Addition A-2 Redevelopment Plan, to United Savings Bank Office Building located at the northwest corner of Turk Street and Van Ness Avenue in the Western Addition A-2. The office building, completed in 1984, included a parking garage with the required 137 parking spaces. As a result of the October 1989 earthquake, the bank had to close three of its branch offices and, in order to provide temporary file storage for the closed offices, the Agency granted a variance allowing a reduction of the parking requirement to 125 spaces for a three year period. The 12 spaces used for file storage were to revert back to parking use on June 19, 1993, however, United Savings has requested a three year extension of the variance to permit additional time to further study the feasibility of a computerized file storage system. The bank has indicated that the garage remains under-utilized and the extension of the conditional variance would not have a negative effect on the parking situation. A random check by staff indicates there are a number of vacant parking spaces available and so it appears the use of the twelve spaces is not creating a hardship with regard to parking.

There being no persons wishing to appear in connection with this matter, the Vice President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 26-93 BE ADOPTED.

- (h) James Nybakken, Administrative Services Officer, introduced item (h), which requests approval of a revised Internal Equal Employment Opportunity Policy and Affirmative Action Plan for the Agency through the end of calendar year 1993. The Agency's Policy and Plan were adopted by the Commission eight years ago in accordance with guidelines established for City Departments. When a revised plan was presented a year ago, the Commission requested that the Human Rights Commission review the plan prior to its final adoption. The proposed revision has now been approved by the Human Rights Commission, the Commission on the Status of Women, and staff of the EEO Unit of the Civil Service Commission. The Policy and Plan have been revised to reflect changes in the Agency's labor force during the past three years

and compare the Agency's workforce to that of the entire civilian labor force in San Francisco. It should be noted that during the past year no hiring has occurred due to the Mayor's hiring freeze. Minority group members currently constitute 64.5 percent of the Agency's staff which has remained fairly constant over the past eight years. However, during this period the Agency's workforce has diminished from 134 to a current level of 100. The most significant change during this period is that women now constitute 50.5 percent of Agency staff, as opposed to 41 percent in 1985. A significant under-representation is deemed to occur when the Agency's employment of a protected class in any one of the occupational categories is less than 80 percent of the percentage held by that group in the San Francisco civilian labor force and by this computation, under-representation of women and some ethnic groups does occur in some occupation categories within the Agency's workforce. Under-representation of protected classes within the total Agency workforce occurs in the Hispanic category only. This has been of continuing concern and the Agency has utilized numerous resources to implement a recruitment effort to attract applicants from this category and will continue to do so as openings occur. Another area of concern is that, although the percentage of women in the Administrator category has doubled in the last eight years, it is still significantly below the percentage of women within the San Francisco labor force. The Agency's program acknowledges that the ethnic composition of a particular community in which a specific position is assigned may be a factor in filling a particular vacancy. In the selection process preference will continue to be given to candidates in under-represented protected classes. The specific goals of adding at least one Hispanic to the Agency workforce and one woman to the Administrator category are modest but are in recognition that the Agency will be doing little hiring during the next year. However, recruitment will soon be underway for: a Development Specialist to work on the Housing for persons with AIDS program, an Affirmative Action Specialist, and a Financial Operations Manager. None of these positions is at the administrative level so this group will not be able to satisfy any of the Agency's goals in terms of appointing a woman at that level as an administrator. However, recruitment efforts will be directed in particular towards Hispanics and women to try to increase representation in both groups in this hiring opportunity.

Ms. Bolanos thanked Mr. Nybakken for noting the fact that Hispanics have been under-represented and inquired regarding the procedure for recruitment.

Mr. Nybakken indicated that staff has held several meetings on developing recruitment strategies to attract Hispanics in particular for these positions and a number of sources are being pursued. Staff is certainly open to suggestions from the Commission in this regard.

Mr. Helfeld noted that, as discussed with the Commissioners, if there is no success within a very brief period of time, staff

will request authorization to retain the services of a professional recruiter.

Ms. Bolanos noted that there are a number of professional Latino organizations in different professional categories and suggested staff contact the Personnel Management Association Atzlan that promotes and provides information to individuals interested in applying for public sector jobs. Mr. Nybakken indicated he would follow through on this suggestion.

Mr. Bagot noted that a non-profit housing association recently recruited a Hispanic Director. He suggested the U.C. Graduate School or Masters of Public Policy, U.C. Berkeley as possible sources for the Development Specialist position, depending on the skills required.

In response to an inquiry from Ms. Ong, Mr. Nybakken indicated that the Agency's goals through calendar year 1993 are based upon a comparison with the 1980 census data for the San Francisco civilian labor force, which is the most recent year from which census data is available. 1990 census data is expected to be available shortly and will be incorporated in an analysis at the end of 1993 for the next two year cycle.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 29-93 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Helfeld introduced item (a), which requests authorization for a representative of the Redevelopment Agency Commission to address the University of California Board of Regents to present a resolution in support of the Mayor's efforts to assist UCSF in locating its second campus in San Francisco.

This is not an agenda item and, in accordance with the Brown Act Regulations, a determination needs to be made by the Commission that a necessity to take action on this off-agenda item arose after posting of the agenda on Friday, February 5, 1993. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a two-thirds vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON FEBRUARY 5, 1993.

Mr. Kitahata indicated that the University Board of Regents will be holding a meeting in San Francisco on February 18 and he believed a resolution of intent showing that the Agency supports the Mayor's statement to the Board of Supervisors to work with the University to develop a second campus would be appropriate. He indicated that when preparing the resolution it was his

intention it be personally delivered by an Agency representative to the Board of Regents regarding which he had believed he had clearance from Kent Sims of the Mayor's Office. However, since it now appears the preference is to do it by letter instead of by direct presentation there is a need for clarification by Mr. Sims on the position of the Mayor's Office. He indicated that he would move this item but with the earlier wording whereby either the Vice President or her designee, or the Executive Director or his designee, deliver the resolution in person as well as transmit it by letter, which leaves a choice to do either or both depending on instructions from the Mayor's Office.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 31-93, AS AMENDED, BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Three groups have been issued a Request for Proposals for Central Block 2 Entertainment/Retail parcel in Yerba Buena Center. Proposals are due on May 7, 1993.
- (b) On February 5, 1993, the Agency received fourteen responses to a Request for Proposals to lease and operate the two cafes the Agency is building on top of the North Moscone Convention Center lobby, overlooking the Esplanade. Several of the proposals submitted are from minority-owned firms or would involved joint ventures with minority business partners. The proposals will be evaluated on the basis of the food concept proposed, the qualifications of the respondent and the business terms offered the Agency by a panel consisting of Agency staff, Center for the Arts representatives and 2-3 restauraneurs. A 30-45 day review and evaluation period is anticipated.
- (c) Progress Foundation will hold an opening celebration on February 17, 1993, 11:30 a.m., at the Grove Street Project 650-680 Webster Street at Grove.
- (d) President Hom and Commissioners Ong and Stern attended a briefing with Mayor Jordan on February 9 to discuss the Agency's programs.

Mr. Stern noted that Mr. Helfeld made an excellent presentation and indicated he felt good progress was made at this very positive meeting.

Joshua Newman, Budget Analyst for the Mayor's Office, indicated that this was a very productive meeting and gave the Mayor an overview of the Agency's past and proposed programs. The Mayor was particularly interested in certain areas, including the Caltrans parcel, the John Swett School, the South Bayshore and the Hunters Point Shipyard. There was not an opportunity to address the Strategic Planning process and there will be a

follow-up meeting at which maybe different Commission members can attend to get a sense of the Mayor's priorities.

Mr. Bagot inquired if the Mayor talked about discontinuing the Agency and Mr. Newman indicated that if that arises it will be dealt with when the Strategic Planning process is addressed.

Ms. Ong indicated that it was suggested the Mayor move expeditiously on requests for survey areas, which Mr. Helfeld presented.

Mr. Newman indicated that if Mr. Helfeld would follow-up on this by memorandum, he would do his best to facilitate this request.

Mr. Stern indicated that Mr. Helfeld had made mention of the lot that Caltrans has from Haight Street to Turk and the Mayor was in favor of proceeding quickly on this because the land is already cleared, so there will no displacement involved.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from Mr. Bagot regarding the use of the Pontiac Hotel as a jail facility, Mr. Helfeld indicated that the application was withdrawn because of neighborhood concerns, which staff supports because housing is the preferred use.
- (b) In response to an inquiry from Mr. Bagot, Mr. Helfeld indicated that staff is trying to verify the dollar amount for the Peace Plaza in the Western Addition A-1. James Fang of the Mayor's Office feels there is an opportunity to get some funding from Japanese companies and that is another part of the Mayor's Far East trip that might be helpful. Under the current budget \$600,000 is being requested, but if \$300,000 can be secured from Japanese corporations the Agency would only have to put in \$300,000, which is reasonable for a one million dollar renovation.
- (c) In response to an inquiry from Mr. King regarding meet and confer with Union Locals 21 and 790 regarding the salary and classification study, James Nybakken, Administrative Services Officer, indicated that a meet and confer session had been held at which a number of issues were discussed. There was a specific request from Local 790 to delay the submission of the request for review from employees for a three week period because they have a new union representative who is involved in City negotiations and has not been able to deal with this matter yet. The Agency has agreed to an extension through February 26, which will apply to all staff.
- (d) Mr. King noted his concern regarding the exclusion on the invitation list of long established developers in the Western Addition and Hunters Point, particularly churches in Black areas, to an Agency-sponsored Property Acquisition Workshop for non-profit housing corporations.

Mr. Bagot indicated that if it were the issue of the expiring use restrictions or a management workshop then there should be outreach to that sector, but it is his understanding that a lot of the more established Western Addition non-profits are not actively involved in new development.

Mr. King indicated that they are not participating because they are not encouraged and when these kind of workshops are held they should be notified.

Mr. Helfeld indicated he would check on the invitees to the workshop and report back to the Commission.

Mr. Bagot noted that Francine McKinney, Executive Director of San Francisco Housing Development Corporation (SFHDC) has resigned and suggested assistance be given to SFHDC in its search for a new Executive Director.

Gene Suttle, Senior Deputy Executive Director, indicated that Louis Clinton, a board member, wanted to be the interim Director, however, the issue was raised that to pay him a salary would be a violation of the Mayor's Office of Community Development (MOCD) rules. The Agency wrote a letter to MOCD indicating these are tax increment funds that allow that bridge to occur during the recruiting period and there are now a number of candidates under review for permanent placement, so the Agency has assisted in an orderly process being followed.

- (e) Ms. Bolanos referred to a letter written by Mr. Kitahata and inquired when there will be a staff evaluation of a proposal by BRAVA and whether it would be worthwhile to have a presentation by this group. She noted that she had also been contacted by the San Francisco Multimedia Group and requested a concept paper submitted by Multimedia be provided to the Commission because it might be worthwhile to invite this group to make a presentation too. She indicated she believes the Multimedia would fit into with what the Agency is trying to do in the Strategic Planning process and the BRAVA proposal brings in some very good elements relative to economic development and the revitalization of quality of life issues that really need to be examined.

Mr. Helfeld indicated that it is a good idea to have presentations by both groups. With regard to BRAVA, staff's initial reaction was this ought to be tied into the designation of a survey area and the redevelopment program.

- (f) Ms. Ong noted that in response to a letter from the Mayor that the Agency imaginatively participate with the City in solving homeless problems, she had discussed calendaring a Homelessness Workshop with the Executive Director at which presentations could be made by William Rumpf, Chief, Housing Production and Management, and Rita Semel of the United Way Council on Homelessness.

Minutes of a Regular Meeting, February 9, 1993

Gene Suttle, Senior Deputy Executive Director, suggested that an invitation to participate in the workshop also be extended to Jean Mariani, Homeless Coordinator for the Mayor's Office.

Vice President Hom announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's Real Property Negotiator. The property is a portion of Pier 38 Bulkhead in Rincon Point South Beach and the entity the Agency may negotiate with is Prima's Cafe.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

There is an additional Closed Session item which arose subsequent to posting of the agenda on Friday, February 5, 1993. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a two-thirds vote of the Commission members is required to add this item.

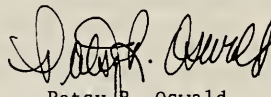
MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON FEBRUARY 5, 1993.

This item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property location is Central Block 1 in the Yerba Buena Gardens of Yerba Buena Center and the entity the Agency may negotiate with is Yerba Buena Gardens, L.P.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations and Personnel. The meeting adjourned at 5:40 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

March 9, 1993

APR - 5 1993

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MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF /SAN FRANCISCO HELD ON THE
1ST DAY OF MARCH, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a Special Meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 3:10 o'clock p.m. on the 1st day of March, 1993, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Ben L. Hom, President
Cynthia Choy Ong, Vice President
Leroy King
Gary Kitahata
Clarence R. Stern

and the following were absent:

Buck Bagot (Arrived during the Closed Session)
Sonia Bolanos

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Al Williams, Pam Duffy and Harry O'Brien, representing Yerba Buena Gardens, L.P./Olympia & York Companies (U.S.A.).

Representing the press were: Gerald Adams, San Francisco Examiner; John King, San Francisco Chronicle; and Linda Wilcox, San Francisco Independent.

President Hom announced that there would be Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's Real Property Negotiator. The property location is Central Block 1 (CB-1) in the Yerba Buena Gardens of Yerba Buena Center and the entity the Agency may negotiate with is Yerba Buena Gardens, L.P.

ADJOURNMENT

It was moved Mr. King, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned to a Closed Session on Real Property Negotiations. The meeting adjourned at 3:15 p.m.

RECONVENED

At this time, 3:40 p.m., the meeting reconvened back to the Special Meeting with the same roll call, with the addition of Mr. Bagot.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), the purpose of which is for consideration of an extension of the Option Agreement between the Agency and Yerba Buena Gardens, L.P., to acquire the Central Block 1 Office Parcel in Yerba Buena Center. Approximately a month ago, the developer requested an extension of the Option Agreement which expires on March 1, 1993, at 5:00 p.m. and the Commission voted unanimously to deny this request. However, because of a request by six Supervisors, the Commissioners agreed to convene this Special Meeting to re-consider the request for an extension. It is believed the Supervisors did not know all facts and a letter will be written to them explaining the situation. The request for an extension has been carefully reviewed at a meeting between three Commissioners and the Mayor. Staff recommendation continues to be that the forty-five day extension now being requested not be granted for the reasons stated in a letter addressed to Mayor Jordan dated February 26, 1993, a copy of which has been forwarded to the Board of Supervisors. Copies of the relevant correspondence are attached and are made a part of these minutes.

Mr. Helfeld noted that, although staff does not recommend an extension to the Option Agreement, this does not preclude the Agency considering future offers by this developer.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT AN EXTENSION TO THE OPTION AGREEMENT WITH YERBA BUENA GARDENS, L.P./OLYMPIA & YORK COMPANIES (U.S.A.) NOT BE GRANTED.

MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT THE EXECUTIVE DIRECTOR BE AUTHORIZED TO CONVEY BY LETTER TO YERBA BUENA GARDENS, L.P./OLYMPIA & YORK COMPANIES (U.S.A.) THAT THE AGENCY WILL BE WILLING TO CONSIDER ANY FUTURE OFFERS.

Mr. Kitahata requested clarification that the motion applies to a new offer only, and Mr. Helfeld indicated affirmatively.

Mr. Bagot indicated that action taken today is certainly not a reflection on the developer and he is proud of the way this Agency has conducted itself during past and present administrations because, despite the difficult financial times, the amenities are being built.

Mr. King noted his regret that things have not worked out and he was sorry to see this relationship come to an end. He indicated that Yerba Buena Center would not be where it is today if it were not for this developer who has good representatives. There has been a close working relationship for a number of years and if there is a change in financial conditions, he would be supportive of future offers.

Minutes of a Special Meeting, March 1, 1993

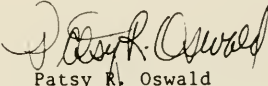
Mr. Helfeld noted the presence of Al Williams, Pam Duffy and Harry O'Brien, Yerba Buena Gardens, L.P./Olympia & York.

President Hom noted that this developer has done well by the City and that he concurs with Mr. King's comments regarding being supportive of future offers.

ADJOURNMENT

It was moved by Mr. Kitahata, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 3:55 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

March 30, 1993

San Francisco
Redevelopment Agency

770 Golden Gate Avenue
San Francisco, CA 94102

415.749.2400



FRANK M. JORDAN Mayor

Ben L. Hom, President
Cynthia Chow Ong, Vice President
Buck Bagot
Sonia S. Bolaños
Leroy King
Gus R. Kirsola
Clarence R. Stern

Edward Helfeld, Executive Director

February 26, 1993

103-6693-146

VIA HAND-DELIVERY

Honorable Angela Alioto, President
Board of Supervisors
and Honorable Members of The
Board of Supervisors
CITY AND COUNTY OF SAN FRANCISCO
235 City Hall
San Francisco, CA 94102

RE: Yerba Buena Center

Dear President Alioto and Members
of The Board of Supervisors:

Yesterday, we received a copy of a letter signed by six Members of the Board to Mayor Jordan supporting a request by Olympia & York ("O&Y") to extend for 45 days the option it holds to revive its development rights for the office building site on Market Street known as Central Block One.

Earlier, we had received a copy of O&Y's request to Mayor Jordan for assistance in securing an extension of that option.

For your information, I enclose a copy of my letter to Mayor Jordan responding to O&Y's extension request. I believe that it responds both to the points made in O&Y's letter and to the letter signed by the six Supervisors. If you have any questions, I urge you to phone me immediately.

Sincerely,

EDWARD HELFELD
Executive Director

Enclosure

cc: Agency Commissioners
James Lazarus
Alfred Williams
John E. Zuccotti

San Francisco
Redevelopment Agency

770 Golden Gate Avenue
San Francisco, CA 94102

415.749 2400



FRANK M. JORDAN, Mayor

Ben L. Horn, President
Cynthia Choy Ong, Vice President
Buck Bagot
Sonia S. Bolaños
Leroy King
Gary R. Kishitzig
Clarence R. Stern

Edward Heileid, Executive Director

February 26, 1993
103-06793-136

Honorable Frank Jordan, Mayor
City and County of San Francisco
City Hall
San Francisco, CA 94102

Re: Yerba Buena Center

Dear Mayor Jordan:

You received yesterday a letter dated February 24 from John Zuccotti, President of Olympia & York Companies (U.S.A.) ("O&Y"), requesting an extension of O&Y's option to purchase the office building parcel on Market Street known as CB-1.

As you will recall, O&Y failed to complete the purchase of CB-1 last July and permitted its acquisition rights to expire. Nevertheless, the Agency granted O&Y an 8-month option at that time to revive its development rights for CB-1 by paying the Agency the balance of the purchase price (approximately \$14 million) by 5PM Monday, March 1, 1993.

Now Mr. Zuccotti asks that the Agency Commission convene a special meeting to consider his request to extend that 8-month option for an additional 45-day period, citing internal disarray at O&Y and the promise of "economically substantial investors" as the basis for that extension. He seeks your aid in achieving that result.

For the following reasons, we believe no extension should be granted:

1. Earlier this month O&Y requested that the Commission grant it an extension. At its meeting of February 9, 1993, after considerable discussion, the Agency Commission unanimously instructed its negotiators to reject a request for an extension of the option.
2. O&Y was selected as the master developer of Yerba Buena Center in 1980 and in 1984 a development agreement was concluded between O&Y and the Agency. For nine years and

for many reasons O&Y has failed to build any building or even to acquire any of the parcels to which it has or had rights, including CB-1. During a considerable portion of that period, other office buildings were built in San Francisco. There is no indication in this history or in their current circumstances to suggest that an extension will somehow create a resolve to build where none has existed for all these years.

3. O&Y is insolvent. The Reichmann brothers, with whom the Agency made the original deal, have withdrawn from active participation in O&Y, and the U.S. subsidiary is now effectively controlled by the creditors of the Canadian parent. Recent newspaper accounts suggest that O&Y U.S.'s negative net worth exceeds \$600 million (see attached Wall Street Journal article). There is a significant possibility that O&Y will be forced to seek the protection of the federal bankruptcy laws. Extension of the option period will serve merely to expose the City and the Agency to that risk for a longer time. If the Agency has contractual relations with O&Y when it files for bankruptcy protection, the filing could cloud the Agency's ability to terminate O&Y's rights with respect to CB-1 and seriously complicate any remarketing effort for years to come. This could result in the loss of millions of dollars to the Agency and the City, clearly adversely affecting our interests.

4. Given O&Y's troubled economic circumstances, it is apparent that it will not be a factor in the development industry for many years to come, as it must of necessity be preoccupied with the preservation of its existing portfolio of real estate. It is most unlikely given those perilous circumstances that O&Y could attract substantial equity investors to participate with it in this project, or even that such investors would entangle themselves with O&Y contractually. Extension of the option will not make O&Y's situation any more attractive to investors.

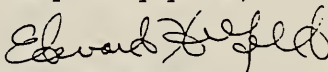
5. Although Mr. Zuccotti apparently finds himself in the situation of not being able to act on the option or "advance negotiations with ... potential investors" without a new board in place, he nevertheless is somehow confident that a new board will act favorably on all these matters, all in its first few weeks of existence. There is absolutely no basis to believe that the result will be any different if an extension is granted.

Honorable Frank Jordan, Mayor
February 26, 1993
Page 3

It is therefore not surprising that Mr. Zuccotti's letter contains no concrete proposal to exercise the option and to pay the Agency what O&Y owes it. O&Y was supposed to pay for this parcel in July 1990, under the most recent major renegotiation of this deal. Since that time there have been more than a dozen extensions of time over nearly three years, during which time O&Y has shown no progress toward their avowed goal of attracting outside investors. This most recent flurry of activity is nothing more than a request for further delay, a delay which will expose the City and the Agency to more risk without any concomitant benefit.

For all of these reasons the staff of the Agency does not recommend an extension.

Very truly yours,



Edward Helfeld
Executive Director

cc: Members of the Board of Supervisors
Agency Commissioners
James Lazarus
John E. Zuccotti
Meyer S. Frucher
Alfred W. Williams

O&Y Discloses Operating Loss For U.S. Arm

Figure Came to \$280 Million In '91, Say Data Released At Creditors' Meeting

By NEIL BARSKY

Staff Reporter of THE WALL STREET JOURNAL
NEW YORK — Olympia & York Development Ltd.'s U.S. companies had an operating loss of \$280 million last year and a negative net worth of about \$600 million, an indication that even the strongest part of the Reichmann empire is worse off than anyone believed.

According to financial information distributed to creditors, the U.S. arm of the Toronto-based property developer had assets at the end of 1991 of nearly \$5 billion and liabilities of almost \$5.3 billion, most of it in mortgages. Minority partners are responsible for some of the liabilities, however. Most of the operating loss is believed to have resulted from paying off maturing mortgages on several of the company's U.S. office buildings.

The information came to light as part of yesterday's meeting of Olympia & York Cos. (U.S.A.) with creditors, which was intended to get the U.S. concern's 150 lenders to agree to a plan that would keep it out of bankruptcy-law protection. The new information isn't expected to derail the restructuring efforts. The financial disclosures were obtained by an individual who attended the meeting.

The long-awaited conference of the company's creditors marked its most serious attempt yet to convince its lenders that they will be better off if O&Y's U.S. companies can avoid the fate of their Canadian parent and London subsidiary by staying out of bankruptcy court. O&Y has asked its creditors for a five-year moratorium on principal payments. The company also wants to make interest payments on its debts only if individual buildings generate enough income to make those payments. O&Y hasn't asked its U.S. lenders for more money, nor has it offered equity in the company. However, lenders expect to receive equity in individual buildings eventually as part of a restructuring agreement.

Individual Creditor Groups

Negotiations are expected to continue with individual creditor groups. If banks go along with the plan, the company said it expects its properties to generate \$60 million of annual cash flow by 1995. As part of the presentation, bankruptcy attorney Harvey Miller of Weil Gotshal & Manges sought to show how lengthy bankruptcy proceedings would be bad for the banks. The company's heads of operations, leasing and finance also spoke at the two-hour

"They made a credible argument for themselves as to their ability to manage and create value for their own buildings," said one banker.

Conspicuous by his absence from the meeting was Paul Reichmann, the financial mastermind of O&Y's rise whose obsession with the company's Canary Wharf project in London drained O&Y of its wealth. According to people who attended the meeting, not only was Mr. Reichmann absent, but the company's U.S. executives appeared to take pains to disassociate themselves from the Reichmann family.

"It was like they were saying, we got caught up in the Reichmanns' problems," one person who attended the meeting said. "They made as little mention of the Reichmanns as possible."

World Financial Center

Meanwhile, a controversial interest in the World Financial Center has passed out of the hands of the Reichmann family. O&Y said Albert, Paul and Ralph Reichmann "very recently" sold their interest in the New York complex to an independent third party. The stake is held through a 50% ownership of Battery Park Holdings Inc., which in turn owns about 25% of the World Financial Center.

The Reichmanns' ownership interest in the World Financial Center was important because creditors had prohibited the family from taking any money out of O&Y's U.S. unit. Because of the Reichmanns' stake in the project, the U.S. unit halted payments to Battery Park Holdings last spring.

Carena Developments Ltd., a company controlled by Toronto financiers Peter and Edward Bronfman, owns the other half of Battery Park Holdings. Gordon Arnell, Carena's president, said Battery Park Holdings currently is owed \$6 million in cash disbursements from the World Financial Center. He said he expects payments will resume in the near future.

Carena said the Reichmanns' interest was acquired by J. Richard Schiff, a Toronto investor who sits on the boards of several Bronfman-controlled companies. It wasn't disclosed how much Mr. Schiff paid for the holding.

While the Reichmann family, which owns the shares of O&Y, would appear to have the most to gain from keeping the U.S. operations out of bankruptcy protection, other parties, including the company's unsecured creditors, are also interested in securing that result.

Nonetheless, the unsecured creditors, including J.P. Morgan & Co., have been the most vocal opponents of the company's strategy. Representatives of J.P. Morgan and the Bank of Montreal went so far as to boycott yesterday's meeting to protest the company's plan. Morgan, formerly one of O&Y's financial advisers, wants the company to segregate cash flows from various properties within each building, rather than shift the money to the operating company.

Two Cash Drains

So far, O&Y's U.S. arm has succeeded in staying out of bankruptcy protection by executing a series of transactions that put cash in the unit's hands and relieved the real estate concern of unprofitable ventures. The U.S. unit has succeeded in ridding itself of two potential cash drains: 55 Water St. and 220 Park Ave. in Manhattan.

O&Y's U.S. unit also has succeeded in negotiating with New York City officials a method of deferring some property tax payments that will help keep cash in the company's coffers. Finally, O&Y's U.S. unit raised \$32 million by selling its stake in Hyperion Partners, an investment fund controlled by former Salomon Brothers executive Lewis Panzeri.

While some of the credit for that success up to this point has been attributed to the maneuverings of O&Y's U.S. executives, the various fates of the three main O&Y entities also point to the different sets of bankruptcy laws in the U.S., Canada and the United Kingdom.

In the U.S., where bankruptcy laws most heavily favor creditors, O&Y's banks were able to seize essential control of its Canary Wharf project right away.

In Canada the bankruptcy laws are less favorable to borrowers than in the U.S. but not quite as partial to lenders as in Britain. But even in Canada, things are happening much more quickly than they would under U.S. bankruptcy laws. In Canada, O&Y has been granted one extension to present a plan of reorganization to its creditors but so far has failed to get the agreement of a single creditor group.

—Larry M. Greenberg in Toronto contributed to this article.

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
2ND DAY OF MARCH, 1993

DOCUMENTS DEPT.

APR - 5 1993

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:10 o'clock p.m. on the 2nd day of March, 1993, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Ben L. Hom, President
Buck Bagot
Leroy King
Gary Kitahata
Clarence R. Stern

and the following were absent:

Cynthia Choy Ong, Vice President (Arrived 4:15 p.m.)
Sonia S. Bolanos (Arrived 4:15 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Fei Tsen, former Redevelopment Agency Commissioner; Sonia Gray, Director of Community Arts and Education Program for the San Francisco Arts Commission; Brenda Berlin, Consultant, Children's Place; Ace Washington, WAPAC; Ernie Meriweather, We, the People Television Productions; and Mike Mahoney, San Francisco Police Department.

APPROVAL OF MINUTES

It was moved by Mr. Kitahata, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meetings of January 12, 19 and 26, 1993, and the minutes of the Closed Session Meetings of January 5, 12, 19, 26, February 2, and 9, 1993, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS- CONSENT AGENDA

THE ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Approving a Lease with Cal Trans for a visitor/disabled and staff Parking Lot.
- (b) Authorizing a First Amendment to the Predevelopment Loan with Housing for Independent People (HIP), increasing the loan amount by \$17,000

for expenses related to the development of 820 O'Farrell Street as part of the Citywide Tax Increment Housing Program.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) AND (b), RESOLUTION NUMBERS 32-93 AND 33-93, BE ADOPTED.

Ms. Ong and Ms. Bolanos arrived at this time, 4:15 p.m.

Mr. Bagot indicated that Housing for Independent People is a non-profit that has secured a building and has it vacant so mentally disabled and homeless people can move in. However, because the U.S. Department of Housing and Urban Development (HUD) is not moving the papers, the Agency is being forced to spend \$17,000. He suggested that if HUD does not move the loan within a week that there be exposure through the news media and he would be pleased to arrange contact with a Chronicle reporter for this purpose.

NEW BUSINESS - REGULAR AGENDA

- (c) Helen Sause, Project Director, Yerba Buena Center, introduced item (c), which requests authorization of a First Amendment to the Personal Services Contract with Brenda Berlin, which increases the amount payable by \$50,000 and extends the contract term from March 1 through December 31, 1993, for continuing consultant services in connection with implementing the program for the Children's Place on Central Block 3 (CB-3) in Yerba Buena Center. Subsequent to authorization of the initial contract in June 1992 in an amount of \$40,000, Ms. Berlin has provided assistance in incorporating the organization and its Board of Directors and assisted the Agency in providing information to the architects to assure optimum operation of the buildings. In addition to gathering relevant information on similar facilities to guide the Agency and the Board as the project moves forward, Ms. Berlin has made significant outreach efforts to arts organizations, schools and children's service organizations and convened focus groups to comment on architectural submittals with regard to program needs and operational issues. She is working on refining the budget as well as actively pursuing a number of fundraising sources and has initiated informational meetings with potential funding organizations. It is proposed to present performance and hands-on activities for children during the Center for the Arts opening weekend October 16 and 17, 1993, and begin programming children's events during the coming fiscal year to establish a Children's presence in the community. Ms. Berlin's ongoing services are needed in connection with the architectural design of the building and garden and further refining of the programs and specific start-up and funding strategies for the Children's Place.

The following persons spoke in support of item (c): Fei Tsen, former Redevelopment Agency Commissioner and President of the Children's Place Board of Directors; and Sonia Gray, Director of Community Arts and Education Program for the San Francisco Arts Commission.

Ms. Tsen noted that there has been four years of planning and by the time financing is secured and the building constructed, it will be eight or nine years. The new Board is now in place and efforts will be made to make this a fine place for families to visit and it is believed the Children's Place will make this block special. Ms. Berlin has been working with the Advisory Committee on programming, budgeting, fundraising activities and also with the architects in making the Children's Place a reality and so it is recommended her contract be extended to the end of the year so she can work with the new Board.

Ms. Gray noted that the work Ms. Berlin has been doing with Advisory Committee and members of the community has been invaluable to the development of the Children's Place.

Ms. Berlin indicated that, although a great deal has been accomplished in a very short time, there is still much work to be done. The new Board will be reviewing the proposed ideas in detail and it is intended to work collaboratively with existing organizations to bring them under the roof of the Children's Place.

In response to an inquiry from Ms. Ong regarding activities for the coming year, Ms. Berlin indicated that a basic work plan has just been formulated and she has presented projected budgets for the next three years to the new Board. That includes recommendations for start-up of certain kinds of programs, however, it is up for discussion whether to begin programming now or wait until the building is constructed. It is recommended to begin to do some small things very slowly in the community to get the name of the organization out there. Major portions of the work during the next year will be: working closely with the consultants and designers; determining the type of framework the Board is going to look for with regard to staffing; discussions will be held with funders about start-up funding for program ideas; continued community outreach; working with the schools and the School Board; and assisting efforts with regard to zero coupon bond financing.

In response to an inquiry from Ms. Ong, Ms. Berlin indicated that the Board will be focusing on fundraising. There have been discussions with the Haas Fund who are already willing to accept an application for funding. There have also been expressions of interest by the Rosenberg Foundation, which pays close attention to working with children and education, and the San Francisco Foundation. Therefore funding is being addressed in the realization that this will have to be a self-sufficient organization in terms of the future.

Mr. Helfeld indicated that it had always been assumed the Children's Center would be self-sufficient except for the Children's Place for which there would be a need for funds in terms of a subsidy. Obviously, this may not be enough and the early and aggressive attempt to get some other funding is highly commendable.

Mr. Kitahata indicated that, although he is very much in favor of the zero coupon bond financing, it would be prudent to be cautious of pushing this until after the current budget cycle has passed because it might get taken away if it is started now. He noted that he would like to see the Children's Place as self-sufficient as possible, given the difficulty with capital costs because it certainly cannot be guaranteed that there will be an endowment in place. Therefore, whatever efforts can be focused on with regard to fundraising and ways to make this a self-sufficient organization so much the better since ongoing expenses cannot be guaranteed.

Mr. Bagot noted that the Budget Analyst is suggesting to the Budget Committee the possibility of transferring \$26 million received from Olympia & York for Central Block 1 in Yerba Buena Center to the City's General Fund and that the \$14 million final payment that might be received be used for part of the construction cost of Central Block 3 that includes buildings to be occupied by providers of the children's services. It therefore appears there is a need to raise the issue with the Board of Supervisors of using the Golden Gateway tax increment revenue stream. He noted his concurrence with Mr. Kitahata that this is not a good time to be talking about extra money being available and inquired about the effect on the development plans if zero coupon bonds are postponed until after the current budget crisis is resolved.

Mr. Helfeld indicated that the idea of using zero coupon bonds to finance the Children's Center has already been discussed with members of the Board of Supervisors and other City Officials. He further noted that the Budget Analyst's report does not appear to be correct because it is saying the \$14 million is all that is needed for the Children's Center. There will an opportunity at the Budget Committee meeting on March 3 to raise the subject of zero coupon bonds which are after the year 2000 and therefore do not affect the City's General Fund.

In response to an inquiry from Mr. Kitahata regarding the possibility of the bonds being authorized but the net proceeds being taken away, Mr. Gamble indicated that it is reasonable to expect there will be competing ideas for this financing idea and some of those have been raised in discussions with the Mayor's Office, the Chief Administrative Officer and the Board of Supervisors so that is indeed an issue. However, clearly the City would not sell debt of this kind to support a budget deficit.

In response to an inquiry from Mr. Bagot regarding other uses that had been suggested, Mr. Gamble indicated Arena/Ballpark and repair of the existing Moscone Convention Center.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 34-93 BE ADOPTED.

REPORT OF THE PRESIDENT

- (a) President Hom noted that a reception, hosted by the Port Commission, will be held with the Redevelopment Agency and Airports Commissions on March 16, 6:00 to 8:00 p.m., at the Majestic Hotel.
- (b) President Hom noted that the Redevelopment Agency Commission will host a reception for the Airports, Public Utilities and Board of Permit Appeals Commissions on March 30, 5:30 to 7:00 p.m., at the Miyako Hotel.
- (c) President Hom indicated that he will be submitting a written report on his recent trip to the Far East as a member of Mayor Jordan's delegation.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On February 25, the City Planning Commission voted approval on two variances for the development by Jones Memorial Methodist Church. This is for a new Church building at 1975 Post Street with expanded classrooms and parking spaces. The variances are to permit 75 percent lot coverage and to delete the 5 foot setback requirement in the Western Addition A-1 Plan.
- (b) On March 1, 1993, the Commission voted to reject Olympia & York's request for an extension for the Central Block 1 Office Parcel. In accordance with a motion by the Commission, a letter has been written to Olympia & York indicating the Agency will be willing to consider any proposal they may submit in the future. Also, a letter has been sent to the Editor of the San Francisco Examiner indicating that exception was taken to a statement that appeared in an article by Gerald Adams that "Redevelopment Officials gloated over aspects of the deal".

In response to an inquiry from Ms. Ong, Mr. Helfeld indicated that letters will be written to each of the six Supervisors who were in support of an extension being granted to Olympia & York.

- (c) With regard to the Agency's recycling efforts, the letterhead is now on recycled paper and recycled paper has been ordered for standard copy paper. This is in addition to the Agency's active recycling program of all computer and copy paper.
- (d) The Commissioners have been provided with a report from the Human Rights Commission entitled "The Unfinished Agenda, the Economic Status of African Americans in San Francisco 1964-1990". Staff will be studying the report very carefully to see how the Agency can help because from the summary it looks like a very bleak picture and a report will be made to the Commission.

- (e) The Commissioners have been provided with an updated Forward Calendar that notes new dates and reasons for delays.
- (f) The Commissioners have been provided with the Agency's most recent newsletter.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Bagot indicated that in light of comments by the Council of Community Housing Organizations (CCHO) on the Agency's budget, he would like to inquire regarding the situation with the Golden Gateway tax increment revenue stream because it appears the Agency's tax increment capacity runs out in a year and a half.

Mr. Helfeld indicated that if the housing program continues at the level of recent years, then indeed the Agency would be out of money in a year and a half. This year \$19 million is allocated for housing which is a very aggressive program. However, for the following two years \$11 or \$12 million is projected and in the fourth year it drops down to \$6.5 million. Therefore, during the next three years it will be necessary to search for alternate funding sources for the housing program. It essentially permits completion of projects but there will be little money left over for new initiatives. If there is a major push on the larger programs that have been discussed by the Strategic Planning Steering Committee, there may be a need for Golden Gateway tax increment.

Robert Gamble, Deputy Executive Director, Finance, indicated that one CCHO memorandum addressed the idea of a sustainable program and a series of projections have been prepared that do basically show the assumptions to have a sustainable program through the end of the decade that continues some housing activities, allows completion of existing projects and a variety of smaller issues, but does not involve any new undertakings. If a Mission Statement for the Agency is looked at that involves a series of new projects, then clearly some of the cost will have to come out of the Golden Gateway tax increment.

- (b) Mr. Kitahata inquired regarding a hearing by the Budget Committee scheduled for March 3 to consider the disposition of \$26 million received from Olympia & York for Central Block 1 in Verba Buena Center and the possibility of all or some of the proceeds being made available to the City's General Fund.

Mr. Gamble indicated that members of the Budget Committee have been contacted and clearly understand that the money has been committed, not only contractually by the Agency, but in previous budgets approved by the Board of Supervisors, for the construction of Central Block 2.

In response to an inquiry from Mr. Kitahata, Mr. Gamble indicated that Central Block 2 was not pledged for liquidity facility bonds or for the \$30 million general obligation bonds.

- (c) In response to an inquiry from Mr. Kitahata, Mr. Helfeld indicated that staff will report in Closed Session on real property negotiations for the southeast corner of Third and Howard Streets in Yerba Buena Center with Hampshire Properties.

PERSON WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Ace Washington, WAPAC, referred to the Human Rights Commission report on "The Unfinished Agenda, the Economic Status of African Americans in San Francisco 1964-1990" and indicated the Agency needs to take care of the African-American community. There is an organization being formed to work with various city agencies and committees which will assure fair dealings for all African-Americans and other citizens.

Mr. Washington made reference to Draft Working Paper No. 2 on the Agency's Strategic Plan and President Hom indicated this cannot be discussed because the Commission has not yet had an opportunity to review the document.

- (b) Ernie Meriweather, Producer of We, the People Television Productions, requested funding of \$1,202,000 to start a Black television station.
- (c) Kevin Williams, resident of Bayview/Hunters Point, noted his support of Mr. Meriweather's proposal. He noted his concern that KMPT Channel 32 has not kept promises it made to the Commission and the residents of San Francisco because it has not located in the Western Addition, it has not hired Western Addition residents and has refused to program Black shows. He noted that the Grant Agreement provides for certain remedies in the event of a default and he suggested the Agency pursue return of the \$250,000 grant.

Ms. Ong requested staff report to the Commission on the allegations made regarding KMPT.

President Hom announced that there would be three Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and the entities the Agency may negotiate with are:

San Francisco Naval Shipyard with the United States Navy.

block bounded by Steuart, Spear and Folsom Streets in Rincon Point-South Beach with the GAP.

block bounded by Market, Mission, 10th and 11th Streets with Bank of America, NT & SA.

There is an additional Closed Session item which arose subsequent to posting of the agenda on Friday, February 26, 1993. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a two-thirds vote of the Commission members is required to add this.

Minutes of a Regular Meeting, March 2, 1993

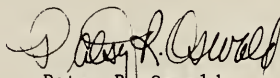
MOTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON FEBRUARY 26, 1993.

This item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the southeast corner of Third and Howard Streets in Yerba Buena Center and the entity the Agency may negotiate with is Hampshire Properties.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Ong, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations. The meeting adjourned at 5:00 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

March 30, 1993

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
9TH DAY OF MARCH, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 9th day of March, 1993, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Ben L. Hom, President
Cynthia Choy Ong, Vice President
Leroy King
Gary Kitahata
Clarence R. Stern

and the following were absent:

Buck Bagot
Sonia S. Bolanos (Arrived 4:20 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Steve Cutler, San Francisco Go Club; Steve Nakatu, Executive Director, Kimochi Senior Center; Felix Warburg, Bush Street Synagogue Cultural Center; Virginia Conway; Eva Lieberman, Department of City Planning; Boris Dramov, ROMA Design Group; Emelio Cruz, Office of the Chief Administrative Officer; Jean Mariano, Mayor's Homeless Coordinator; Rita Semmel, Chair, and Amanda Feinstein, Staff Coordinator, United Way Council on Homelessness; Karen Kline, Mental Health Association of San Francisco; Anthony Von Der Muhl, San Francisco Coalition on Homelessness; Ace Washington, WAPAC; H. Aizawa; Jerry Clark, Natoma Street Neighborhood Association; and Jay Parashis, San Francisco Police Department.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Ong, and unanimously carried that the minutes of the Regular Meetings of February 2 and 9, 1993, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS- CONSENT AGENDA

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE COMMISSION AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

Minutes of a Regular Meeting, March 9, 1993

- (a) Authorizing a contract in an amount not to exceed \$30,000 with the South of Market Problem Solving Council (SOMPSC) to carry out activities related to their function as the Citizens Advisory Committee for the South of Market Earthquake Project Area; South of Market.
- (b) Authorization to exercise the Agency's repurchase option with respect to 1215 Scott Street and to expend funds to purchase the units and pay Homeowners' Association dues; Affordable Condominium Program; Western Addition A-2.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) AND (b), RESOLUTION NUMBERS 35-93 AND 36-93, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) Judy Eng, Real Estate Development Specialist, introduced item (c), which requests authorization of a Fourth Amendment, which revises the Schedule of Performance, to the Land Disposition Agreement (LDA) with the Bush Street Synagogue Cultural Center for the rehabilitation of 1881 Bush Street and the development of the adjacent site located at the southeast corner of Bush and Laguna Streets in the Western Addition A-2. The performance schedule has been amended on three occasions since authorization of the LDA in October 1990. The proposed development consists of rehabilitation of the existing former synagogue building, a City landmark building at 1881 Bush Street, and the construction of a new four-story structure at the southeast corner of Laguna and Bush Streets for a combined use as a performing arts theater and a cultural center providing gallery exhibition space for various organizations. The estimated cost of construction and rehabilitation is \$6 million. A conditional commitment of \$150,000 has been secured through a loan program sponsored by the National Trust for Historic Preservation for acquisition of the site. In addition, application has been made for a matching grant from the Preservation Services Fund and the San Francisco Foundation to help support the cost of a Fundraising Consultant and Development program and the developer believes the National Trust's support will elicit interest from other organizations to donate funds. Although great difficulties have been experienced with fundraising efforts, the developer continues to be optimistic the project can be financed and development completed. In an efforts to move the project forward, the developer wishes to possibly scale back the development of the new building proposed for the portion of the site at the corner of Bush and Laguna Streets which would limit the building to the ground floor. The developer would be willing to release the air rights above the new one-story building to another developer. The revised performance schedule calls for submission of evidence of financing by May 10 and conveyance of the site by June 10, 1993. Felix Warburg, the Developer, is here to respond to questions.

Ms. Bolanos arrived at this time, 4:20 p.m.

The following persons spoke regarding item (c): Steve Cutler, San Francisco Go Club; Steve Nakajo, Executive Director, Kimochi Senior Center; Felix Warburg, Bush Street Synagogue Cultural Center; and Virginia Conway.

Mr. Cutler indicated that the Go Club is desirous of painting the the inside of the portion of the building they occupy, but are unable to do so because of the deteriorated condition of the roof and it is requested it be repaired or covered with tarpaulin.

Mr. Nakajo indicated that he does not oppose the extension, however, because there is no more suitable land available in Japantown, he would be interested in developing the property located at Bush and Laguna Streets for senior housing and office space for the Kimochi Senior Center.

Ms. Conway requested consideration be given to valet parking.

Mr. Warburg indicated that Mr. Nakajo's request to develop a portion of the site at Bush and Laguna Streets is acceptable because it is planned to only build a ground floor annex to contain a lobby, restrooms, handicapped access ramps, an elevator, and comply with current fire codes in order to meet modern day requirements of restoring an historic building. Therefore, the air rights above could be released. He noted his willingness to work with the Kimochi Senior Center and the community and that the Go Club has been offered an opportunity to stay in the facility on the Laguna side of the new annex building. He indicated that more time is needed to get funding in place and complete working drawings.

Ms. Ong noted her concern at the deterioration of the site since her involvement with it six years ago when the Asian American Theater and the Pear Blossom wanted to do theater presentations and were denied development rights in favor of the Bush Street Synagogue. Since this developer has not moved the project forward over a number of years, perhaps the site should be offered again to community developers who would be better able to move it along.

Mr. Warburg indicated that at the time the Bush Street Synagogue secured exclusive negotiation rights, there were discussions with the Asian American Theater regarding a joint use whereby they would be able to use the auditorium portion of the building, however, discussions ended when they found another site. It is felt the highest and best use of the restored building is for a public community performing arts center, available to anyone in the community that wants to use that space. The synagogue is an historic landmark building and he would like to think his non-profit organization and the Agency have a common goal of preserving the building for a use that will be of community value.

In response to an inquiry from Ms. Ong, Mr. Warburg indicated that there was never an intent for a Holocaust Museum. At one

time the Holocaust Center was interested in having the upper stories of the annex building as a place for research and public education programs, but they now have plans for other locations where they will be better able to reach the community.

Mr. Kitahata inquired whether it would be feasible to extend the Fourth Amendment to the 1881 Bush Street Synagogue site only and not to the site at the corner of Bush and Laguna Streets with the exception of the portion of the site where the addition of modern accommodations are necessary. This would mean the extension would apply only to the synagogue site plus an unspecified portion of the Bush and Laguna corner site, leaving the remainder of that site open for future development.

Mr. Helfeld requested the item be continued for one week for staff to investigate the feasibility of Mr. Kitahata's suggestion.

Ms. Ong noted that restoring the synagogue will take a great deal of money and the problem with separating the two sites is it might take away the incentive for a community organization. If there is any way of sweetening the pot to restore the landmark building then it has to come with the adjacent site. She indicated that while she is sympathetic to the idea of senior housing, there has to be some kind of accommodation with a community group that can do both and noted her concern the liability the Agency could be exposed to because of the danger posed by the deteriorated condition of the buildings on both sites. In addition, it appears a building on this site alone cannot be developed without an easement because of new building codes that require fire ingress and egress and that it be handicapped accessible.

Mr. Kitahata noted that he would not be able to attend the March 16, 1993 meeting and requested the item be continued for two weeks.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM (c), RESOLUTION NO. 37-93, BE CONTINUED TO THE MEETING OF MARCH 23, 1993, TO PERMIT STAFF REVIEW OF TECHNICAL ISSUES.

- (d) Philip Williams, Housing Development Specialist, introduced item (d), which requests authorization for the Redevelopment Agency to apply, accept and expend funds totalling \$6,647,000 from the U.S. Department of Housing and Urban Development (HUD) for the Housing Opportunities for Persons with AIDS Program (HOPWA). HUD has announced that eligible metropolitan statistical areas (EMSA) must submit applications for an allocation of HOPWA funds by March 15, 1993. An application from an EMSA must be submitted by a local governmental agency from the EMSA's largest city. The San Francisco EMSA is comprised of San Francisco, Marin and San Mateo Counties and in May 1992 Mayor Jordan asked the Agency to serve as the lead agency for coordinating the HOPWA program. Since that time, staff has been working closely with the Mayor's

Office of Housing, the Department of Public Health Aids Office and the Mayor's HIV Health Services Planning Council in administering \$3,126,100 of HOPWA funds allocated in 1992. Approximately \$6,647,000 is available for the San Francisco EMSA for 1993. Allocation to each county is based on the number of living persons with HIV/AIDS reported by the State of California Office of Aids as of January 31, 1993. The 1993 allocation for San Francisco is expected to be approximately \$5,749,655. The Mayor's HIV Health Services Planning Council has recommended that the 1993 funding allocation be used for capital costs, rental/lease assistance and supportive services. The HOPWA program requires a substantial amount of administrative staffing to satisfy HUD requirements and the Agency is currently advertising for a Development Specialist to work primarily on the program.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 38-93 BE ADOPTED.

- (e) Michael Kaplan, Project Coordinator, Rincon Point-South Beach/South of Market, introduced item (e), the purpose of which is for presentations by representatives from the Office of the Chief Administrator, the Department of City Planning and the ROMA Design Group on the Urban Design Recommendations for the Central Embarcadero Project. The recommendations are a culmination of a one-year design effort by the City Departments and ROMA Design Group with subconsultants under the guidance of the Citizens Advisory Committee for the Central Embarcadero Project. The urban design recommendations assume a straight roadway alignment which could accommodate at grade as well as underground roadway alternatives. The urban design has been shaped by: the enormous growth experienced in the downtown area which brought the City closer to the waterfront; residential areas that are being planned or have been developed, such as the Golden Gateway, Rincon Center, Rincon Hills, Hills Brothers, South Beach and Mission Bay; diminishing maritime activities and piers have been removed; the Embarcadero roadway is in the process of being transformed from a utilitarian access road into a waterfront boulevard with an emphasis on recreational uses; the area, which includes Justin Herman Plaza, Embarcadero Plaza, the bus turnaround and the area formerly covered by the freeway, is an urban space of approximately 20 acres. The main objectives for designing the open space and its surroundings are: to create a grand civic gathering space and provides for a wide variety of activities; to design the space as a hub for a multitude of transportation modes; and to provide access to and along the waterfront. Program efforts on the design of the Embarcadero Plaza will be underway shortly by the Office of the Chief Administrator and City Planning in cooperation with the Recreation and Parks Department. Since much of the Embarcadero Plaza area is currently within the Golden Gateway Redevelopment Project Area, it is anticipated that the Agency will be directly involved in both the planning and implementation stages of the proposed project. The Commissioners have been provided with a

copy of the Central Embarcadero Design Strategy prepared for the City by ROMA Design Group.

Eva Lieberman, Department of City Planning; Boris Dramov, ROMA Design Group; and Emelio Cruz, Office of the Chief Administrative Officer; made presentations, including slides, and responded to questions from the Commissioners.

In response to an inquiry from Mr. Kitahata, Mr. Cruz indicated that currently the Vaillencourt Fountain is under the jurisdiction of the Recreation and Parks Department. The fountain was turned off due to a City-wide decision not to run any City-owned fountains because of the past six years of drought. With the end of the drought, that can now be reconsidered. The fountain pumps about 30,000 gallons of water per minute when it is fully operable and has a substantial amount of evaporation. Therefore there still may be considerations about water utilization.

Ms. Ong noted that a slide had showed Geary Boulevard and inquired how it is proposed to avoid that great divide between the Ferry Building and the Ferry Plaza.

Mr. Cruz indicated that currently five different alternatives are being analyzed for replacement of the roadway. The underpass along Geary Boulevard is an example of an underground alternative. Of the five alternatives, two involve undergrounding, which would involve portals such as Geary. Two other alternatives are surface alternatives which would involve no portals. One is a no build alternative which is required under Federal law. When the Environmental Impact Report is published a year from now there will be an opportunity for public comment and ultimately a decision on which alternative will be pursued will be made by the Board of Supervisors.

Mr. Helfeld indicated that removal of the Embarcadero Freeway ramps and the Broadway and Clay/Washington corridors provide development opportunities and, if requested by the City, the Agency could be helpful in getting appropriate development and indeed generating the funds to help build the Plaza. This was mentioned in the draft Strategic Plan for the Agency.

President Hom thanked the speakers for their presentations.

- (f) William Rumpf, Chief, Housing Production and Management, introduced item (f), which is a workshop to discuss the City's Homeless Policy and the Agency's role in addressing homelessness. This workshop on homeless policy has been scheduled at the request of Commissioner Ong and in response to an earlier request from Mayor Jordan for all departments to identify creative ways to help the City respond to homelessness. The Agency's role has included: capital funding of over \$12 million during the past three years through the Citywide Tax Increment Housing for transitional and permanent housing projects for the homeless; searches for appropriate sites for homeless

facilities and other real estate technical assistance for City and non-profit facilities; and participating with other City agencies in developing housing policies that the Mayor is seeking to implement.

Jean Mariano, Mayor's Homeless Coordinator; Rita Semel, Chair, and Amanda Feinstein, Staff Coordinator, United Way Council on Homelessness; Karen Klien, Mental Health Association of San Francisco; and Anthony Von Der Muhl, San Francisco Coalition on Homelessness, made presentations and responded to questions from the Commissioners.

The speakers expressed appreciation to Ms. Ong for calendaring this workshop and to the Agency for its support of homeless programs.

Ms. Mariani indicated that the Mayor wants a compassionate approach and has agreed to a commitment of \$3 million to be included in the 1993/1994 budget for programs to assist the homeless with jobs, housing and support services.

Mr. Stern inquired whether there had been a survey of people from other jurisdictions and Ms. Mariani indicated that this would be difficult to accomplish because the homeless people do not have addresses and their origin is not known. Part of the reason for the large number of homeless in San Francisco is that this is a very tolerant city.

Ms. Semel and Ms. Feinstein described the United Way Council's program for the homeless and stressed the need for housing and jobs. Ms. Feinstein indicated she would like the Agency to encourage developers to employ homeless people and consider bid preference to contractors who are willing to employ them. This could be a net gain to the City by getting people out of multiservice centers, many of whom have skills and education but, because they have not worked for several years, will need job training.

Ms. Klien indicated that it is recognized the solution is permanent supportive housing. Shelters are an emergency answer but when the time ends at the shelter, the homeless people have nowhere to go. She noted that the Comprehensive Housing Affordability Strategy (CHAS) serves a good purpose and she distributed relevant pages of the 1993 Annual CHAS report. She urged the Commission to think of employment of the homeless as part of the Agency's role.

Mr. Von Der Muhl noted that the top priority for Redevelopment Agency housing monies should be to provide exits from shelters and the transitional housing system in the form of permanent housing. Development proposals should be reviewed to see homeless people are being hired and all housing should be looked at for job opportunities. The Agency needs to look at entrepreneurial opportunities for people living in permanent housing affordable to low income persons.

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Ted Dientsfrey, Director, Mayor's Office of Housing (MOH) noted that his office is responsible for preparing the CHAS every year and his strategy would be to move more funds to the housing field. It is necessary to concentrate on getting people off the street into permanent housing but they will need support services.

Ms. Ong indicated that she would like Leamon Abrams, Chief, Economic Development, to see what the Agency's role in economic development can be in helping the homeless and she would like him to strategize.

President Hom thanked the speakers for their presentations and indicated the Agency will carefully consider the homeless situation which is a problem for the City and County of San Francisco.

REPORT OF THE PRESIDENT

- (a) President Hom indicated that on March 16 the Commissioners will be attending a reception with the Port and Airports Commissions at the Majestic Hotel, 6:00 to 8:00 p.m., and the Agency meeting will start at 3:00 p.m. on that date.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Commissioners have been provided with a copy of a newspaper article by Gerald Adams that appeared in the San Francisco Examiner regarding the Agency's Strategic Plan.
- (b) The Commissioners have been provided with a copy of an excellent editorial that appeared in the San Francisco Chronicle on the sad exit of Olympia & York from the Verba Buena Center Project.
- (c) On March 11, Supervisor Shelley's Committee will be holding a hearing on the Hunters Point Shipyard. The major point of discussion will be whether it is going to be a survey area or not and the Supervisor is concerned that the Board of Supervisors would lose control once it was declared a survey area. Kent Sims of the Mayor's Office suggested that in the resolution establishing a survey area, there be listed a number of benchmarks that Agency staff would bring before the Board during the process for review and approval. On March 18, a Citizens Advisory Committee meeting will be held at which the Agency will make a presentation of the status of negotiations and the whole issue of the survey area. If the citizens are not supportive then it is believed Supervisor Shelley will not support a survey area. On March 25, the Supervisor's Committee meets again and that is when he will get feedback from the community. A draft agreement is now being prepared and if the Board of Supervisors wish to go ahead with the survey area there would be a public hearing on the proposed agreement in mid-April. The lease and the Memorandum of Understanding must be sent to Washington, D.C.

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by the Navy on May 1st if there is going to be a signing on May 28.

- (d) Mark Buell has withdrawn his name from consideration as a Commissioner of the Redevelopment Agency.
- (e) Baker Places will be holding an Open House of Ferguson Place, a multi-diagnosis residential treatment program for people with HIV/AIDS, on March 12 at 1249 Scott Street.
- (f) Mission Bay has a Housing Consortium, a group that has been meeting a long time trying to get at the question of how to get the affordable housing that the City is required to supply for Mission Bay. Even after being given very good information by Mr. Gamble about the difficulties of proceeding in this way, the group apparently is moving forward to seek State legislation for special housing financing for Mission Bay rather than using tax increment monies through a redevelopment area.
- (g) If any Commissioners are interested, staff will be pleased to arrange a tour of the buildings under construction on Central Block 2 in Yerba Buena Center.
- (h) Gene Suttle, Senior Deputy Executive Director, gave a report on a hearing held by the Health and Safety Committee of the Board of Supervisors on March 9 regarding the Oceanview-Merced-Ingleside (OMI) district, which was convened because of concern at the high rate of drug related crime and high unemployment in that area. It was requested the Agency be represented because for the past three years staff has been out in the neighborhood in response to interest expressed by Supervisors Ward and Kennedy in the Agency having an impact in the area. Four large community forums were held in 1991, however, the community was unable to arrive at a consensus on what was desired and the Agency was never invited to do anything in the neighborhood. At the hearing on March 9, the issue was again raised of the Agency being of some value in assisting with the problems the neighborhood is facing and there was a renewed request and a consensus from the parties that were not together before that the Agency explore purchasing a building at 235 Randolph Street and staff will be making an assessment.

In response to an inquiry from Mr. Stern, Mr. Suttle indicated that the crime activity in the neighborhood encompasses Junipero Serra.

- (i) Leamon Abrams, Chief, Economic Development, noted that the Commissioners have been provided with a status report on KMPT. The Agency awarded KMPT a \$500,000 grant in two installments. One of the key conditions for the second installment was that they raise matching funds of \$250,000 by a date certain, however, they failed to comply with that condition and were therefore found in violation of the Grant Agreement. The Commission met on March 17, 1992 in Closed Session and essentially determined that the Agency would: find KMPT in violation of the Grant Agreement and not award them the second \$250,000 installment; not place a

lien on the equipment; and not pursue return of the initial \$250,000 unless certain actions transpired. Staff has continued to monitor their performance and they are still on the air but in the event certain actions occur then staff will recommend the Agency initiate actions to place a lien on the equipment and to pursue return of some of the funds of the initial installment.

In response to an inquiry from Ms. Ong, Mr. Abrams noted other conditions contained in the Grant Agreement.

In response to an inquiry from Mr. Stern, Mr. Abrams indicated that it had been hoped to locate the station in the Fillmore Center, however, at that time they did not have the funds. In addition logistic problems were encountered with respect to being able to broadcast from that location and they moved to the perimeter of the Western Addition on Sutter Street.

In response to an inquiry from Mr. Kitahata, Mr. Abrams indicated that the Agency never placed a lien on the station's assets. That is an option that was included in the Grant Agreement, however, it was the decision of the Commission not to pursue recouping the initial \$250,000 or to place a lien on the assets unless KMPT tried to get rid of the license or they failed to operate on the air in good standing with the FCC.

David Madway, Agency General Counsel, indicated when the Grant Agreement was approved there was considerable discussion about the extent to which the Agency ought to take a security interest in the personal property of KMPT and ultimately the decision that was made was to take only a very narrow security interest. The Agency does have some rights with respect to the assets, but the Commission would have to make a decision to enforce those security interests based upon a finding of default.

In response to an inquiry from Ms. Ong, Mr. Abrams indicated that We, the People Television Productions, is a corporate entity that is trying to establish its own television station.

In response to an inquiry from Ms. Ong, Mr. Helfeld indicated that he believed Kevin Williams, a speaker at the March 2 meeting, was concerned about KMPT's programming and it was not part of the agreement that the station be African-American, only that it be multicultural.

- (j) There is an additional item to add to the Closed Session agenda on Real Property Negotiations.

REPORT OF THE PRESIDENT (Continued)

- (b) President Hom noted he had been invited to lunch by Supervisor Shelley, which is a good sign for the Agency.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from Mr. King regarding a contract with the Title IX Loan Committee, Leamon Abrams, Chief, Economic Development, indicated that the Agency is currently operating under a contract with the Mayor's Office of Economic Planning and Development (MOEPD) to administer the Loan Program which calls for them to provide loan review, loan servicing and loan origination. Kent Sims of the Mayor's Office has indicated that rather than decentralize the loan process he would like it to be centralized in the Mayor's Office with all of the loan programs under the Title IX Loan Committee.

In response to an inquiry from Mr. Stern regarding the possibility of the Agency withdrawing from the contract, Mr. Helfeld indicated that this is political issue, not a legal issue.

MOTION: IT WAS MOVED BY MR. STERN THAT THE EXECUTIVE DIRECTOR BE AUTHORIZED TO INFORM KENT SIMS OF THE MAYOR'S OFFICE THAT THE COMMISSION IS DESIROUS OF WITHDRAWING FROM THE AGREEMENT THE AGENCY HAS WITH TITLE IX LOAN BOARD AND TRANSFER ADMINISTRATION OF FUNDS BACK TO THE AGENCY.

Mr. Helfeld indicated that he has other issues to discuss with Mr. Sims and this matter will be given priority.

Commissioners Stern and King noted that the African-American community is dissatisfied with the Title IX Loan Board because they are not getting their fair share of funds.

Mr. Kitahata indicated that this appears to be a complicated issue and he is not prepared to vote at this time.

David Madway, Agency General Counsel, noted that there cannot be a vote because this is not an agenda item.

Mr. Helfeld indicated it was his understanding that it is the strong sentiment of the Commissioners to withdraw from the contract and the function of administering funds be returned to the Agency.

Mr. Kitahata indicated that the message to Mr. Sims should be that it is the strong sentiment of "certain" Commissioners.

Mr. Helfeld suggested, and the Commission concurred, that Mr. Sims be invited to the Agency meeting of March 23, 1993 to address this issue.

- (b) Mr. Kitahata noted that Treasure Island is on the military base closing list and since it is within the city boundaries, this is something the Agency should be considering as it could be an interesting survey area. It is hoped it does not have the same toxic problems as Hunters Point Shipyard.

Ms. Bolanos indicated she believed it would be appropriate for the Steering Committee for the Agency's Strategic Plan to look at this and report back to the Commission.

Mr. Helfeld noted that there had been a negotiating session with the Navy on the Hunters Point Naval Shipyard at which it was indicated that a decision on Treasure Island is expected on March 12.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Ace Washington, WAPAC, noted his concern that Working Paper No. 2 of the Agency's Strategic Plan does not make reference to WAPAC and his desire to be involved with the Agency's new mission. He requested a meeting with Executive Staff to discuss a Task Force being put together by Supervisor Alioto and inquired regarding reparations for the African-American community.

President Hom announced that there would be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

northeast corner of Fourth and Harrison Streets in Yerba Buena Center with Haas and Haynie; and

block bounded by Market, Mission, 10th and 11th Streets with Bank of America, NT & SA.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

There is an additional Closed Session item which arose subsequent to posting of the the agenda on Friday, March 5, 1993. Pursuant to Government Code Section 54954.2(b)(2) Brown Act, a two-thirds vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON MARCH 5, 1993.

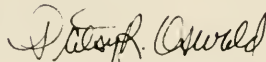
This item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located on the blocks bounded by Steuart, Spear and Folsom Streets in Rincon Point-South Beach and the entity the Agency may negotiate with is the GAP.

ADJOURNMENT

It was moved by Ms. Bolanos, seconded by Mr. King, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations and Personnel. The meeting adjourned at 6:40 p.m.

Minutes of a Regular Meeting, March 9, 1993

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald
Agency Secretary

APPROVED

April 13, 1993

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
16TH DAY OF MARCH, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 3:15 o'clock p.m. on the 16th day of March, 1993, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Ben L. Hom, President
Cynthia Choy Ong, Vice President
Sonia S. Bolanos
Leroy King

and the following were absent:

Buck Bagot
Gary Kitahata
Clarence Stern (Arrived 3:20 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Samuel Murray, President, New Bayview Committee; Harold McCoy, Sr., President of the Bayview Merchants Association; Henry Clark, West County Toxics Coalition; Wendall Chin, Citizens for a Better Environment; Bradley Angel, Greenpeace; Ross Mirkarami; Gregory McDowell, WHGS; Kevin Williams, Chair, Mayor's Economic Planning and Development Task Force for Bayview/Hunters Point; Carl Anthony, President, Earth Island Institute; Ray Jones, Urban Economic Development Corporation; Saul Bloom; Willie Bell McDowell, WHGS Youth Foundation; Geraldine Johnson; Daniel Hernandez, Mission Housing Development Corporation; Jake Pavlovsky, Mission Neighborhood Center; Chris M. Collins, Mission Neighborhood Centers, Inc.; and Mike Mahoney, San Francisco Police Department.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Ong, and unanimously carried that the minutes of the Closed Session meeting, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS

- (a) William Nakamura, Chief, Engineering and Rehabilitation, introduced item (a), which requests authorization to award Demolition and Site Clearance Contract No. SOM-1/69 Seventh Street to Ferma Corporation in an amount not to exceed \$43,886 in connection with property in the South of Market. This contract provides for demolition of the building at 169 Seventh Street,

clearance of the lot and the adjacent lots in order to eliminate the nuisance and hazards posed by the vacant building until the potential developer is able to secure financing and proceed with the proposed development of 27 units of affordable rental housing. Following extensive advertising, which included outreach to Woman and Minority contractors, nine bids were submitted ranging from \$68,700 to \$43,886, which is 11 percent below the Engineer's estimate of \$49,600. The low bid was received from Ferma Corporation, a Bay Area Company, well experienced in this type of work, and staff finds the firm's affirmative action program satisfactory.

ADOPTION: IT WAS MOVED BY MS. ONG, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 39-93 BE ADOPTED.

Mr. Stern arrived at this time, 3:20 p.m.

- (b) Michael Kaplan, Project Coordinator, Rincon Point-South Beach, introduced item (b), which requests approval of the appointment of Robert Meyers to the Rincon Point-South Beach Citizen Advisory Committee (CAC). The CAC was established by the Commission in July 1980 to provide advice and consultation to the Agency concerning policy matters relating to planning and implementation of the Rincon Point-South Beach Project and since that time the Commission has continued to make appointments to the CAC. The CAC has recommended Mr. Meyers be appointed to the CAC to represent Gallo Salame Factory, a property owner in the Project Area and Director of the American Institute of Architects (AIA). The Commissioners have been provided with a list of current members of the CAC.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 40-93 BE ADOPTED.

- (c) Jack Robertson, Housing Development Specialist, introduced item (c), which requests authorization of a \$67,195 increase in the predevelopment loan with Knox Partners Limited Partnership related to the development of affordable Housing at 241 Sixth Street in the South of Market. Tenants and Owners Development Corporation (TODCO) is planning the development of 140 single room occupancy (SRO) units at 241 Sixth Street for low income persons. In December 1992, the site was conveyed to Knox Partners Limited Partnership, an entity created by TODCO to serve as the project developer. The Agency has already provided \$426,366 in predevelopment funds as well as a \$2.1 million capital grant to the project. However, a delay in obtaining the final component of the financing, a commitment from the California Disaster Assistance Program (CALDAP), has delayed commencement of construction and additional funds for administrative costs are being requested. Although the Agency not does look favorably at paying such costs to non-profit developers, it seems clear in this case that a serious cash flow problem exists and the ongoing progress of the development may be in jeopardy if the developer is unable to find a source of funds to pay staff to continue working on the project. Under the terms

of the existing loan agreement, the predevelopment loan would be repaid, including 6 percent interest, from the construction loan proceeds. At this time, it is anticipated construction will commence during the summer of 1993. Authorization of the \$67,195 is contingent upon compliance with a disbursement schedule that staff has prepared for the administrative funding, based upon completion of certain tasks necessary to reach the start of construction. It is also subject to approval by the City-wide Housing Loan Committee and, in the event the Loan Committee has not acted prior to this meeting, the item will be postponed.

Ms. Ong noted her preference for a lower density project.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 41-92 BE ADOPTED.

- (d) Leamon Abrams, Chief, Economic Development, introduced item (d), which requests authorization of an amendment to the Bayview/Hunters Point Economic Development Plan and authorizing a Personal Services Contract for \$80,000 with the People's Earth Day Coalition to sponsor the Third Annual People's Earth Day celebration to be held on April 27, 1993 on Third Street in the Bayview/Hunters Point area. Mayor Jordan established the Bayview/Hunters Point Economic Planning and Development Task Force to provide policy input into economic development issues and resource allocation affecting the neighborhood. The Task Force has developed policies and procedures to implement a revised Small Business Revolving Loan Program and amended the expenditure plan to fund marketing, promotion and tourism. The amendment being requested would revise the Economic Development Implementation Program by transferring \$50,000 from the Small Business Revolving Loan Fund to marketing, promotion and tourism, which increases funds available for that purpose to \$100,000. The People's Earth Day celebration is a one-day event, including workshops, music, arts and crafts, entertainment and other activities. It supports the economic development goals of the Task Force by: attracting non-residents to the South Bayshore; assists local businesses; promotes local entrepreneurship; and improves the overall perception of Bayview/Hunters Point. The celebration, which has drawn up to 10,000 persons to the area during the first two years it was held, would be sponsored by the People's Earth Day Coalition, comprised of neighborhood organizations with The Tides Foundation as its fiscal agent. The total cost for the celebration is estimated at \$108,400 and, in addition to budgeting \$80,000 from the Agency, the celebration will generate approximately \$24,000 and another \$4,000 from booth rental fees.

The following persons spoke in support of item (d): Samuel Murray, President, New Bayview Committee; Harold McCoy, Sr., President of the Bayview Merchants Association; Henry Clark, West County Toxics Coalition; Wendall Chin, Citizens for a Better Environment; Bradley Angel, Greenpeace; Ross Mirkarami; Gregory McDowell, WHGS; Kevin Williams; Chair, Mayor's Economic Planning and Development Task Force for Bayview/Hunters Point; Carl

Anthony, President, Earth Island Institute; Ray Jones, Urban Economic Development Corporation (UEDC); Saul Bloom; and Willie Bell McDowell, WHGS Youth Foundation.

The speakers noted the benefits the celebration will bring to the community, which include: business opportunities for merchants City-wide; an incentive for the younger generation to get into the entertainment field; environmental awareness to a community that has been impacted by toxics; a job fair; promotion of entrepreneurship; and it will bring a positive note to an area that has been negatively portrayed.

Geraldine Johnson noted her opposition to the allocation of economic development funds in this manner because the monies should be used to assist businesses and provide job opportunities.

Mr. Murray thanked the Commissioners for hearing the community. He noted that this event has the support of several members of the Board of Supervisors, as well as Senator Milton Marks, and letters in this regard will be provided to the Commission. He expressed appreciation to Mr. King for attending the last celebration.

President Hom indicated that he and other Commissioners will attend this event.

Ms. Bolanos inquired regarding the funding source for the additional \$30,000 since only \$50,000 is being transferred from the Small Business Revolving Loan Fund and Mr. Abrams indicated that only \$5,000 has been expended from the initial allocation for marketing, promotion and tourism fund for a marketing brochure, leaving \$45,000, a portion of which will be used for this celebration.

Ms. Bolanos indicated that the environmental concerns are very commendable, however, since funds are being transferred from the Loan Fund how does this celebration tie into economic development by assisting small businesses.

Mr. Murray indicated that there will be a number of workshops and a job fair. The community not only wants jobs, but ownership. In addition, a firm from Bayview/Hunters Point will handle the security operations so money will be generated in the neighborhood.

Ms. Bolanos noted that this is the second occasion the Commission has supported a community festival and a policy issue is involved. Therefore the Commission will need to be consistent with this policy in the future.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 41-93 BE ADOPTED.

- (e) Leamon Abrams, Chief Economic Development, introduced item (e), which requests authorization of a Loan Agreement with Mission Housing Development Corporation (MHDC) for \$150,000 towards its acquisition of 2782 24th Street in connection with the 24th Street Revitalization Program.
- (e) Leamon Abrams, Chief, Economic Development, introduced item (e), which requests authorization of a Loan Agreement with Mission Housing Development Corporation (MHDC) for \$150,000 towards its acquisition of 2782 24th Street in connection with the 24th Street Revitalization Program.
- (f) Leamon Abrams, Chief, Economic Development, introduced item (f), which requests authorization to issue a second Request for Proposals (RFP) for the 24th Street Community Development Investment Fund (CDIF) in the amount of \$570,000 in connection with the 24th Street Revitalization Program.

In April 1992, funding was approved for the 24th Street Revitalization Program in an amount of \$1 million for three separate components: \$720,000 for site acquisition; \$240,000 for Small Business/Working Capital Loans; and \$40,000 for public space improvements. In October 1992, the Agency authorized issuance of an RFP for the site acquisition program known as the Community Development Investment Fund (CDIF), the purpose of which is to assist non-profit organizations in the purchase of vacant or blighted properties on 24th Street for the purpose of commercial revitalization. Four responses were received to the RFP and, following review by Agency staff, a community panel and the City-wide Housing Loan Committee, it is recommended that a Loan Agreement be entered into with MHDC for \$150,000 to be used towards the commercial portion of the property at 2782 24th Street and a second RFP be issued for the CDIF.

Daniel Hernandez, Mission Housing Development Corporation, requested approval of item (e) and expressed appreciation to the Loan Committee for their favorable review of the loan.

In response to an inquiry from President Hom, Mr. Hernandez indicated that the storefront will be occupied by a realty/tax preparation firm.

Ms. Bolanos indicated that MHDC is to be commended and she looks forward to others moving forward, keeping in mind that the aim is commercial revitalization.

Jake Pavlovsky, Mission Neighborhood Center, Inc. requested approval of item (e). He noted that it is important staff knows how to put a winning proposal together. The Committee now has a liaison person to work with the Latino community and he would also be glad to assist in the process. It is important to inform the proposers if a submission is defective and for staff to give them technical assistance to show them where they have gone wrong.

Lucia Mele, Economic Development Specialist, indicated that was one of the problems in the first round and keeping the deadline open is to help those who want to re-submit proposals.

Ms. Ong indicated she would like to see the 24th Street liaison person and Agency staff working closely together.

ADOPTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT ITEM (e), RESOLUTION NO. 43-93, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT ITEM (f), RESOLUTION NO. 44-93, BE ADOPTED.

REPORT OF THE PRESIDENT

President Hom reported on the following matters:

- (a) President Hom noted that on March 12, together with several Commissioners and staff, he had attended an Open House of Ferguson Place on Scott Street, a multi-diagnosis residential treatment program for people with HIV/AIDS.
- (b) This evening the Commissioners will attend a reception hosted by the Port and Airports Commissions at the Majestic Hotel.
- (c) On March 30, the Agency Commissioners will host a reception for the Airports Commission, the Public Utilities Commission and the Board of Permit Appeals Commission at the Miyako Hotel at 5:30 p.m.
- (d) Commissioners Ong, King and Stern have been requested to act as a Committee to assist staff in the selection of the operators of two Esplanade cafes above the Martin Luther King, Jr. Memorial waterfall in Yerba Buena Center.
- (e) It is requested that an Agency meeting be held at 2:00 p.m. on April 23 at the Holiday Inn in Chinatown to consider how best to proceed with the development of the International Hotel site. Also to be considered would be a progress report from the Chinatown Economic Development Task Force as well as other matters of concern relevant to the community. Mayor Jordan and senior staff from his office will be in attendance.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Joshua Newman has resigned from his position as the Mayor's Budget Analyst.
- (b) Administration of the Small Business Loan Program has been transferred from the Mayor's Office of Economic Planning and

Development, under Kent Sims, to the Mayor's Office of Community Development under Larry Del Carlo. This has occurred because Mr. Sims is overwhelmed with his responsibilities and it will therefore not now be appropriate to invite him, as suggested, to the March 23 meeting to address the issue of administration of loan funds being removed from the jurisdiction of the Title IX Loan Committee and returned to the Agency. This change should be helpful in moving loans.

- (c) The Commissioners have been provided with a Fact Book entitled "Redevelopment Program '92-'93, Summary of Project Data and Key Elements".
- (d) David Madway, Agency General Counsel, indicated that staff reported to the Commission several months ago that the Agency and Local 38 of the Iron Workers' Union had been sued in separate lawsuits by Ronald Bryant. Mr. Bryant's basic complaint was that he was being discriminated against by his Union by not being referred for employment to subcontractors who were performing work on Agency related projects. He asserted in his lawsuit against the Agency that the Agency had violated its duties to him under Federal law by failing to require the Union to refer him for employment to subcontractors working on Agency related jobs. The Agency made a motion to dismiss Mr. Bryant's lawsuit on the grounds that it had no legal authority to enforce the anti-discrimination laws against Local 38 and no contractual relationship with Local 38. On March 12, Judge Marilyn Hall Patel of the Federal District Court, granted the Agency's motion and dismissed Mr. Bryant's lawsuit against the Agency with prejudice, which means that he cannot bring that lawsuit against the Agency again. So far as staff knows, Mr. Bryant still has a discrimination lawsuit pending against Local 38.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Ms. Bolanos noted that she had received a resume' from a Latino lawyer whom she would like Mr. Madway to contact and report back.
- (b) Ms. Ong noted that she had received a proposal which she will fax to staff from Korean Coalition, an organization that is interested in development rights for the Bush Street Synagogue site.
- (c) Ms. Ong requested President Hom arrange a joint meeting or reception with the Mayor's Office of Community Development and the Children, Youth and Families Division of the Mayor's Office.

President Hom announced that there would be three Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's Real Property Negotiator. Property locations and the entities the Agency may negotiate with are:

block bounded Market, Mission, 10th and 11th Streets with Bank of America, NT & SA; and

Minutes of a Regular Meeting, March 16, 1993

northeast corner of Fourth and Harrison Streets in Yerba Buena Center with Haas and Haynie; and

southeast corner of Third and Howard Street (East Block 2-C) in Yerba Buena Center with the Jewish Museum.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

There is an additional Closed Session item which arose subsequent to posting of the agenda on Friday, March 12, 1993. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a two-thirds vote of the Commission members is required to add this item.

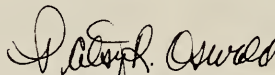
MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS ITEM AROSE AFTER POSTING OF THE AGENDA ON MARCH 12, 1993.

This item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is the San Francisco Naval Shipyard and the entity the Agency may negotiate with is the United States Navy.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Ong, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations and Personnel. The meeting adjourned at 4:40 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

April 13, 1993

APR 19 1993

SAN FRANCISCO
PUBLIC LIBRARYSF
MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
23RD DAY OF MARCH, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 23rd day of March, 1993, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Ben L. Hom, President
Cynthia Choy Ong, Vice President
Buck Bagot
Leroy King
Gary Kitahata

and the following were absent:

Sonia S. Bolanos
Clarence R. Stern (Arrived 4:10 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Mike Mahoney, San Francisco Police Department; Jill Manton, San Francisco Arts Commission; Bob LaRocca, Bob LaRocca & Associates; Larry McEwan, MGA Partners; Willie Lang, Omi Lang Associates; Paul Fay, President and Chief Executive Officer, and Michael Meldman, Executive Vice President, Haas & Haynie; Dick Wilson, Woolf House Residents Association; Ann Mays, BRIDGE Housing Corporation; Alex Pitcher, past President, National Association for the Advancement of Colored People (NAACP); Charlie Walker; Naomi Gray, Mayor's Western Addition/Fillmore Economic Planning and Development Task Force; Samuel Murray, President, New Bayview Committee; Bob Davis; Kevin Williams, Chair, Mayor's Bayview/Hunters Point Economic Planning and Development Task Force; Lefty Gordon, Director, Ella Hill Hutch Community Center; Arnold Townsend; Steve Hicks, Paine Webber; Courtney Knight, Pryor, McClendon, Counts & Co.; Dianne Krantz, Artemis Capital; Margaret Verges, PAACN-CSFN-PADS; Barbara Meskunas, BANG-CSFN-PADS; Ernie Meriweather, Producer of We, the People Television Productions; Harold B. Brooks, Jr.; Brant Callahan and Barry Dow, Black Media Coalition; Brian Sarrazin, San Francisco Video; and George Williams.

Representing the press were: Gerald Adams, San Francisco Examiner; and John King, San Francisco Chronicle.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Fourth Amendment which revises the Schedule of Performance and

further extends the Absolute Conveyance Date under the Agreement for Disposition of Land for Development (LDA) with the Bush Street Synagogue Center for the rehabilitation of 1881 Bush Street and development of the adjacent parcel located at the southeast corner of Bush and Laguna Streets in the Western Addition A-2. The Developer has requested this item be continued indefinitely to provide an opportunity for discussions with the Kimochi on possible changes to the current proposal.

Ms. Ong noted that a proposal has been received from group of seven community organizations that needs to be given consideration and requested they be contacted about the continuance of this item.

MOTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT ITEM (a), RESOLUTION NO. 37-93, BE CONTINUED.

Mr. Stern arrived at this time, 4:10 p.m.

NEW BUSINESS

- (a) Michael Kaplan, Project Coordinator, Rincon Point-South Beach, introduced item (a), which requests approval of the design of the Gateway Art Project created by Mark DiSuvero to be placed in the South Beach Park; and authorization of an increase in the construction budget for the South Beach Park of up to \$35,000 to pay for the cost of the foundation and lighting for the Sculpture in connection with Rincon Point-South Beach. Subsequent to his selection as the artist for the project in November 1991, Mr. DiSuvero has prepared a model of the proposed Embarcadero Gateway Art Sculpture which has been approved by the Arts Commission who are purchasing the Gateway Artwork using \$295,000 from the Waterfront Transportation Project funds. Approval by the Agency and Port Commissions is also required since the sculpture will be located on Port land in the Agency/Port Option Lease area. In addition to the basic cost of \$295,000 for building and installation of the sculpture, it is proposed the Roadway Project will assume the costs of excavation and remediation of contaminated materials estimated at \$20,000 and the Agency will assume the costs for foundation construction and installation of the lighting elements of the sculpture estimated at \$35,000. The Arts Commission is applying to the State Department of Transportation for Federal funding through the Intermodal Transportation Enhancement Activities program for funding which would be used to pay for a portion of the Embarcadero Roadway Arts Program and, if the application is successful, the Agency will be reimbursed for the foundation and lighting costs.

Jill Manton, Arts Commission, described the role of the Arts Commission and gave an overview of the Embarcadero Roadway Arts Program.

Bob LaRocca, Bob LaRocca Associates, Architects, made a design presentation.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 45-93 BE ADOPTED.

President Hom announced that there would be a brief recess. The meeting recessed at 4:25 p.m. and reconvened at 4:30 p.m. with the same roll call.

- (b) Edmund Ong, Chief of Architecture, introduced item (b), which requests authorization of a Seventh Amendment, which increases the amount payable by \$100,600 and modifies certain dates within the contract, to the Architect Agreement with James Stewart Polshek and Partners in connection with the Yerba Buena Theater in Yerba Buena Center. The additional funding is being requested to provide for: continuing architectural services until completion of construction; additional services necessitated by field related conditions and design changes required to comply with the American Disabilities Act (ADA), adopted after commencement of construction; increased architectural presence on the site to provide prompt response to construction issues and minimize potential delay claims; and a contingency amount for other potential additional services. It is essential that the Theater's architect remain under contract to interpret drawings and respond to design questions until the building is completed and occupied. The proposed amendment will extend the completion date for the Theater from May 31 to July 23, 1993 and increase the amount payable by \$100,600 for a total contract of \$1.921 million. Funds are available within the design contingency amounts contained in the Yerba Buena Gardens budget and within the Agency's 1992-1993 budget for design and construction of the Gardens. Discussions are continuing between Agency staff, Turner Construction Company and Sumitomo Construction America, the general contractor, regarding responsibility for the additional funding required because of the delay in completion and the Commission will be kept advised on this issue. The Commissioners have been provided with details of the firm's Affirmative Action Program, which staff finds acceptable.

In response to an inquiry from Mr. Bagot, Mr. Ong indicated that it is believed the completion date of July 23, 1993 is realistic and winter rains contributed to the delay.

Mr. King noted the importance of monitoring the firm's affirmative action program.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 46-93 BE ADOPTED.

- (c) Edmund Ong, Chief of Architecture, introduced item (c), which requests authorization of a Tenth Amendment, which increases the amount payable by \$136,640 and modifies certain dates within the contract, to the Record Architect Agreement with Robinson, Mills and Williams in connection with the Visual Arts Center (VAC) in Yerba Buena Center. The additional funding is being requested to provide for: continuing architectural services until completion of construction; additional services to respond to requirements

of the American Disabilities Act (ADA), adopted after the Moscone Convention Center expansion due to Moscone roof construction being at variance from the drawings upon which the VAC construction documents were based; additional services required because of either mis-coordination on the part of Sumitomo Construction America, the general contractor, or because of their untimely submission of shop drawings necessitating additional staff to expedite review; and a contingency amount for potential additional services. It is essential that the architect remain under contract to interpret drawings and respond to design related construction questions until the building is completed and occupied. The proposed amendment will extend the completion date for the VAC from May 31 to July 30, 1993 and increase the amount payable by \$136,640 for a total contract of \$2.177 million. Funds are available within the design contingency amounts contained in the Yerba Buena Gardens budget and within the Agency's 1992-1993 budget for design and construction of the Gardens. Discussions are continuing between Agency staff, the Office of the Chief Administrator and Sumitomo regarding financial responsibility for relevant items related to the additional services required and the Commission will be kept informed on this issue. The Commissioners have been provided with details of the firm's affirmative action program.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 47-93 BE ADOPTED.

- (d) Helen Sause, Project Director, Yerba Buena Center, introduced item (d), which requests authorization for the Center for the Arts (Center) to expend funds for the Furniture, Fixtures and Equipment (FF&E) Program for the Center for the Arts through contracts with James Stewart Polshek & Partners and S. Leonard Auerbach & Associates in an amount of \$72,200 for the Yerba Buena Theater (YBT) and Visual Arts Center (VAC) in Yerba Buena Center. The proposed action will enable the Center to reallocate funds from the FF&E budget of \$2.996 million, authorized in September 1992, and permit them to: enter into a contract with the Polshek firm, architects for the Theater, in an amount of \$30,200 to perform the necessary architectural services to construct a rehearsal space; and enter into a contract with S. Leonard Auerbach & Associates in an amount of \$42,000 to design the theatrical and audio visual portions of the FF&E for the VAC. The \$72,200 needed for FF&E services will be funded from the \$2.070 million approved for FF&E for the two buildings. The fee for design services were always included in the overall budget but, due to an oversight, was not separated out of the construction cost line item and architectural services line item.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 48-93 BE ADOPTED.

- (e) William Carney, Senior Staff Architect, introduced item (e), which requests authorization of a Twelfth Amendment, which increases the amount payable by \$122,500, to the Architecture Agreement with MGA Partners to provide for the design of

Esplanade Furnishings, Fixtures and Equipment (FF&E) and other other additional services in connection with Yerba Buena Center. The design and documentation of movable interior items within the Esplanade cafes, performance support areas and other interior spaces has been postponed pending determination of the operators and operating strategies for these spaces. Selection of the cafe operators is expected to occur within the next few weeks, followed by a Request for Proposals (RFP) for security, maintenance and operations of the gardens. The proposed amendment will permit the architects to begin work immediately with the selected operators in order to complete the FF&E construction prior to opening of the cafes and gardens at a cost of \$45,000. Because of the location of the Esplanade on the roof of the Moscone Convention Center, the garden drainage system has been of critical concern to the designers of both facilities and Bureau of Building requirements resulted in extensive revision to the documents and additional coordination with the Moscone architects. In addition, new code provisions relating to the American Disabilities Act caused additional documentation. The cost for this work is \$37,500. Due to the complexity and uniqueness of the Esplanade, continued site presence by the architects is needed to respond to construction concerns and rapid response to these issues is necessary to reduce the potential delay claims by the contractor. Since MGA Partners is based in Philadelphia, they have retained Mallas & Foote to represent them in the field as critical construction issues arise, however, MGA representatives will continue to make regular site visits. The cost of their involvement for the remainder of the construction period is \$15,000. \$25,000 of the amendment amount would be available for other unforeseen additional services arising from field conditions and other unanticipated factors during the construction phase of the work. Funds are available within the design contingency amounts included in the overall Yerba Buena Gardens budget and within the Agency's 1992-1993 budget for design and construction of the Gardens. The Commissioners have been provided with details of the firm's Affirmative Action Program. MGA has experienced a 50 percent reduction in staff and M/WBE participation has declined and the firm has been specifically requested to either increase the minority representation on its workforce or pass through the majority of the interior FF&E services to one of its M/WBE consultants. MGA has agreed to take one of these steps prior to the Agency's authorization of the \$25,000 interior FF&E services. The fact that the work under the amendment is necessary to the Agency's project and that most of it would be done by M/WBE firms leads staff to recommend approval of this amendment.

Larry McEwan, MGA Partners, noted that economic conditions have contributed to a substantial reduction in staff, which was done by attrition. The two minority project architects who left the firm did so to pursue professional opportunities which MGA was unable to match, either in terms of salary or project responsibility. Either an adjustment will be made in the

workforce or the majority of the FF&E services will be passed on to an M/WBE consultant.

Ms. Ong requested this item be continued until there is a positive improvement in the firm's affirmative action performance.

Mr. King indicated his concurrence with Ms. Ong and noted that this is a situation that should have been corrected a long time ago. However, the project is so near completion at this point that this work cannot be postponed.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND CARRIED, WITH MS. ONG OPPOSING, THAT RESOLUTION NO. 49-93 BE ADOPTED.

- (f) William Carney, Senior Staff Architect, introduced item (f), which requests authorization of a Third Amendment, which increases the amount payable by \$30,000, to the Landscape Architectural Agreement with Omi Lang Associates for additional services related to the construction of the East Garden in Yerba Buena Center. The additional funding is being requested to provide for increased architectural presence on site to assure prompt responses to construction issues to minimize potential delay claims. Increased presence of the architects on site is required because construction of the East Garden was deferred and compressed into the final six months before the opening of the Agency's Central Block 2 improvements to permit the site to be used as a staging area for the construction of the Cultural Center buildings. The amendment will also cover additional services to redocument roof drainage and other items required by changing City code interpretations as well as future additional services arising from field conditions and other unanticipated factors during construction. The proposed amendment increases the amount payable by \$30,000 for a total contract amount of \$341,000 and extends the construction completion date from October 1992 to September 1993. Funds are available within the design contingency amounts included in the overall Yerba Buena Gardens budget and also within the Agency's 1992-1993 budget for design and construction of the Gardens. The Commissioners have been provided with details of the firm's Affirmative Action Program, which staff finds acceptable.

Mr. Carney introduced Willie Lang, Omi Lang Associates.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 50-93 BE ADOPTED.

President Hom announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located on the northeast of Fourth and Harrison Streets in Yerba Buena Center and the entity the Agency may negotiate with is Haas & Haynie.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Bagot, and unanimously carried that the meeting be adjourned to a Closed Session. The meeting adjourned at 4:50 p.m.

RECONVENED

At this time, 4:55 p.m., the meeting reconvened back to the Regular Session with the same roll call.

- (g) Helen Sause, Project Director, Yerba Buena Center, introduced item (g), which requests consideration of Exclusive Negotiations, until June 23, 1993, with Haas & Haynie Corporation for the development of Parcel 3751-H, located at the northeasterly corner of Fourth and Harrison Streets in Yerba Buena Center. Subsequent to authorization of exclusive negotiations in January 1993 for a mixed use retail/housing development on the Supermarket Site, a modification was approved which made the \$25,000 deposit refundable until February 24, 1993. The exclusives have now expired and Cala Foods has withdrawn its interest, however, Lucky Stores has indicated a desire to locate a supermarket on the site. The developer has contacted several market chains to explore the development opportunity and has requested exclusive negotiations for a 90 day period to negotiate a lease. During the 90 day period, the developer will provide a letter of intent from a major supermarket chain and negotiate the terms of the Land Disposition Agreement (LDA) and the developer has requested that the \$25,000 deposit remain refundable until successful negotiations of the LDA. It is the Agency's normal practice upon selecting a developer for exclusive negotiations to require an Offer to Negotiate Payment which may be retained by the Agency if negotiations do not result in an executed LDA. Under this practice, if the negotiations are concluded successfully with an executed LDA, the payment is applied to the LDA performance deposit of 5 percent of the purchase price of the site. Because there had been an expectation that Cala Foods would continue its involvement in the development but then decided to withdraw, staff recommends approval of the requested 90-day exclusive negotiations period. However, staff believes that the \$25,000 payment should be non-refundable if an LDA is not entered into and this is a condition of the exclusive negotiations in the resolution before the Commission.

Paul Fay, President and Chief Executive Officer, and Michael Meldman, Executive Vice President, Haas & Haynie, requested that the \$25,000 deposit be refundable until a signed lease with a supermarket operator is in place. They noted the difficulties encountered because of Cala Foods withdrawing its interest and that forty supermarket chains have been contacted in diligent efforts to secure a commitment. Lucky Stores has indicated an interest and has asked for additional time to make a thorough analysis of a custom designed supermarket on the site.

Mr. Bagot indicated that this is a \$2.3 million site for which this developer has exclusive negotiating rights and he would not be prepared to make the deposit refundable. The Agency has a long standing commitment to the South of Market community for a supermarket on that site.

Ms. Ong indicated that the developer should pay for having exclusive rights to the site.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 51-93 BE ADOPTED.

- (h) Public Hearing to hear all persons interested in an Amendment to the LDA with Tenants and Owners Development Corporation (TODCO) for the parcel located on the southwest corner of Fourth and Howard Streets; Yerba Buena Center.

President Hom opened the Public Hearing to hear all persons interested in this matter.

Michele Davis, Housing Development Specialist, introduced item (h), which requests authorization of a First Amendment to the Agreement for Disposition of Land (LDA) for Subsidized Private Housing Redevelopment with Tenants and Owners Development Corporation (TODCO) which will allow for the development of Woolf House III at 240 Fourth Street, located on the southwest corner of Fourth and Howard Streets in Yerba Buena Center. It is proposed to amend the LDA, authorized in December 1977, for the construction of 182 affordable senior housing units to permit the addition of 30 affordable units to be occupied by the elderly and disabled for which TODCO has secured state and local funding. The performance schedule calls for commencement of construction no later than December 31, 1993 and completion no later than December 31, 1994.

Dick Wilson, Woolf House Residents Association, requested approval of item (h).

There being no further persons wish to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 52-93 BE ADOPTED.

- (i) Byron Rhett, Project Coordinator, Western Addition A-2, introduced item (i), which requests authorization of the issuance of Rehabilitation Offering #27 for the purchase and rehabilitation of 1866 Turk Street located on the northerly side of Turk Street between Divisadero and Broderick Streets in the Western Addition A-2 and an expenditure of up to \$7,500 for marketing and advertising expenses. This single family residence was recently vacated by the Mary Rogers family and it is now appropriate to solicit prospective developers through a competitive bidding process. Staff worked with Mrs. Rogers for a number of years to develop a feasible way for her to purchase and

rehabilitate the building, however, these efforts were unsuccessful because of the extent of rehabilitation required. The proposed offering is consistent with the Agency's Certificate of Preference Program and will provide for the preferential bidding of Western Addition Certificate Holders first, Certificate Holders of other redevelopment projects second and the general public last. A minimum bid of \$100,000 has been established based on an after rehabilitation appraisal of the property minus the estimated cost of rehabilitation.

Mr. Bagot requested that in the event no bids are received from Certificate Holders then staff investigate the possibility of the property being used for special needs housing.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 53-93 BE ADOPTED.

- (j) Philip Williams, Housing Development Specialist, introduced item (j), which requests authorization of a Predevelopment Loan Agreement, not to exceed \$150,000 with Fell Street Housing Associates for the development of affordable family rental housing at the southwest corner of Fell and Gough Streets as part of the 1993 City-wide Tax Increment Housing Program. Subsequent to approval in June 1991 of a \$1.5 million Regulatory and Grant Agreement with BRIDGE Housing Corporation for acquisition of this property, the developer has secured financing, received planning approvals and completed construction drawings for an 82 unit family rental development affordable to very-low and low income households and construction is expected to occur during the summer of 1993. BRIDGE has formed Fell Street Housing Associates to develop and own the improvements. BRIDGE will be the Managing General Partner and investors who purchase the low income housing tax credits will be the limited partners. The requested predevelopment loan is to pay for building permit and architectural fees and security will be the syndication proceeds generated from the development of Site K located in the Rincon Point-South Beach Redevelopment Project Area. The predevelopment loan will be repaid at the time of construction loan funding in June 1993. The loan has been approved by the City-wide Housing Loan Committee.

Mr. Williams introduced Ann Mays, BRIDGE Housing Corporation.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 54-93 BE ADOPTED.

- (k) Robert Gamble, Deputy Executive Director, Finance, introduced item (k), which requests authorization and execution of Loan Agreements relating to the issuance of certain bonds by the City and County of San Francisco Redevelopment Financing Authority, approving the Final Official Statement relating to such bonds, authorizing and approving other matters properly related thereto, and authorization of the Selection of Underwriters to permit the issuance of Tax Allocation Bonds necessary to fund the Agency's 1992/1993 budget and approval of related documents in connection

with All Redevelopment Project Areas. A Request for Proposals (RFP) was issued to approximately eighty underwriting firms requesting prospective underwriters to answer a number of questions relative to experience in an approach to the proposed bond issuance. Out of the twenty-four responses, sixteen firms were interviewed and the selection is recommended of an underwriting team led by Paine Webber, supported by Pryor, McClendon, Counts & Company, Renge Securities, Ramirez, Inc. and Artemis Capital. In response to concerns expressed by several Commissioners regarding this underwriting team, staff is recommending the addition of Grigsby, Brandford, a San Francisco-based, African American-owned firm and Sutter Securities, a San Francisco-based, Filipino-owned firm, which staff believes can be accomplished without compromising the speed or pricing of the proposed bond issue. However, it will have the effect of reducing somewhat the shares allocated to the firms already in the underwriting group. Paine Webber is a large New York-based firm with strong retail and institutional sales capabilities with strong banking capabilities in their San Francisco office. It is a publicly-held company and their team will be led by an African-American banker. Paine Webber co-proposed with Sam Ramirez, a Hispanic-owned company based in New York which recently opened a California office with an African-American banker. Pryor, McClendon, Counts & Company, an African-American firm based in Philadelphia, has provided excellent service to the Agency out of its San Francisco office during the past two years. Renge Securities is a local Asian-owned firm and Artemis Capital is a local female-owned firm. It is proposed to utilize this underwriting team for the Agency's refunding bonds and taxable debt and, assuming the continued strength of the current market, staff would conduct a competitive sale of its new money, tax-exempt debt.

Commissioners King and Stern noted their concern that a local Black-owned firm is not being recommended as the lead underwriter for this transaction.

Mr. Gamble noted that the proposed team has strong local and Black representation and the lead firm was selected because it is believed to be the best qualified and offers lowest possible costs. Paine Webber has an office in San Francisco and a strong affirmative action record. In addition, the individual representing the firm is Steve Hicks, an African-American.

Mr. King indicated that participation by Blacks is not enough and there should an opportunity for Black-owned firms to have lead roles.

Mr. Stern indicated he was opposed to Paine Webber being the lead firm and would like to see Grigsby, Brandford as lead underwriter.

The following persons spoke regarding item (k): Alex Pitcher, past President, National Association for the Advancement of Colored People (NAACP); Charlie Walker; Naomi Gray, Mayor's Western Addition/Fillmore Economic Planning and Development Task

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Force; Samuel Murray, President, New Bayview Committee; Bob Davis; Kevin Williams, Chair, Mayor's Bayview/Hunters Point Economic Planning and Development Task Force; Lefty Gordon, Director, Ella Hill Hutch Community Center; and Arnold Townsend.

The speakers noted their support of providing an opportunity for a qualified local Black-owned firm to be the lead underwriter in this transaction.

Mr. Gamble introduced: Steve Hicks, Paine Webber; Courtney Knight, Pryor, McClendon, Counts; and Diane Krantz, Artemis Capital.

Mr. Hicks indicated that this is merely Black folks fighting Black folks for a piece of the pie and it should be remembered that majority firms hire minorities because of a process the Agency established. It was through this process that he got his job with Paine Webber and now holds the position of Managing Director.

Mr. Knight noted the background and qualifications of Pryor, McClendon, Counts and indicated there is room for compromise to achieve objectives of the Agency.

Ms. Krantz noted the background and qualifications of Artemis Capital.

Mr. Kitahata noted that he would be opposed to any changes in the lead management role recommended by staff.

Mr. King indicated that he did not agree with Mr. Kitahata and noted his concern that in his thirteen years as a Commissioner there has not been a Black local lead on a bond issue. He indicated he is not opposed to Paine Webber being part of the team but they should not have the lead role.

In response to an inquiry from Mr. Bagot, Mr. Gamble indicated that Paine Webber's experience covers taxable debt and retail experience and they also presented the greatest financing creativity whereas Grigsby, Brandford has dealt primarily with institutional sales and has only a small amount of taxable debt experience and the idea was to let them work on that portion to give them experience.

Ms. Ong noted that for the past month work has been proceeding on a legal consultant policy and in that process the same problems have been encountered where a diminishing amount of money is going to minority law firms. It appears in this process staff has tried to consider all parts and include everyone and she would like Mr. Knight's views on a compromise.

Mr. Knight noted that with regard to the retail distribution, whether Paine Webber is the lead or not, if they are a part of the team then the rest of the group would have access to their retail distribution.

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President Hom requested staff endeavor to reach a compromise and make a recommendation to the Commission at the March 30 meeting.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT ITEM (k), RESOLUTION NO. 55-93, WOULD BE CONTINUED TO THE MEETING OF MARCH 30, 1993 AND THE CITY AND COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY MEETING WOULD BE CONTINUED TO MARCH 30, 1993.

- (1) Mr. Helfeld introduced item (1), which requests adoption of a Resolution commemorating April 5-10, 1993 as Community Development Block Grant Program and National Community Development Week within the City and County of San Francisco. The week of April 5 to 10, 1993 has been designated by several national organizations as National Community Development Week to focus attention across the country on people and programs benefitting from Community Development Block Grant (CDBG) Program funding. The CDBG program has provided services and assistance to the City's residents for over nineteen years and this recognition is to highlight the local activities and programs assisted by the program as well as to demonstrate local support for the program.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 56-93 BE ADOPTED.

REPORT OF THE PRESIDENT

President Hom reported on the following matters:

- (a) On March 30, 5:30 p.m., the Agency Commissioners will host a reception for the Airports Commission, the Public Utilities Commission and the Board of Permit Appeals Commission at the Miyako Hotel.
- (b) An Agency meeting will be held at 2:00 p.m. on April 23, 1993 at the Holiday Inn in Chinatown.
- (c) President Hom noted that the Commissioners have been provided with a report on his trip to the Far East as a member of Mayor Jordan's delegation on a trade mission to Asia.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Bagot inquired regarding a letter dated March 15, 1993 to Donald Tishman with respect to Parcel 732-B in the Western Addition A-2 and Mr. Helfeld indicated that a response has not been received.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On March 18, the Housing and Land Use Committee met and considered a Redevelopment Survey Area for the 10th and Market site for the proposed new Federal Office building. The item was reported out of Committee to the full Board of Supervisors, despite opposition from Calvin Welch and Sue Hestor. It should be before the full Board in the near future.
- (b) On March 18, the Mayor's Citizens Advisory Committee on the Hunters Point Shipyard recommended a survey area be created at the Shipyard that would allow the Agency to sign a lease and Memorandum of Understanding with the Navy, subject to the Board of Supervisors approving a survey area. They also approved the environmental approach of a Negative Declaration as the signing of the lease has no environmental impact. The EIR process will be developed in conjunction with City Planning.
- (c) The Steering Committee for the Agency's Strategic Plan met on March 17 and voted to adopt the Mission Statement which will be before the Commission in the next few weeks as a recommendation.
- (d) The Commissioners' conflict of interest forms are due at the end of March.
- (e) Senior staff will be involved in a Cultural Diversity Training Program over the next few weeks.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Margaret Verges, PAACN-CSFN-PADS, and Barbara Meskunas, BANG-CSFN-PADS noted their concern that expansion is planned by Kaiser in the Western Addition Redevelopment Project Area and requested Kaiser be informed of the need for community involvement in projects in redevelopment areas.

Gene Suttle, Senior Deputy Executive Director, indicated staff will contact Kaiser and report back to the Commission.

At this time, 7:00 p.m., President Hom turned the Chair over to Ms. Ong.

- (b) Ernie Meriweather, Producer of We, the People Television Productions, distributed a proposal submitted by The Black Media Coalition to the Mayor's Bayview/Hunters Point Economic Planning and Development Task Force to develop a Black television studio in San Francisco.

The following persons spoke in support of the proposal: Harold Brooks, Jr.; Lefty Gordon, Director, Ella Hill Hutch Community Center; Brant Callahan and Barry Dow, Black Media Coalition; Brian Sarrazin, San Francisco Video; George Williams; and Arnold Townsend.

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The speakers noted that there is a need for a studio that has programming for the Black community and that can produce programs to inform the entire community from a Black perspective.

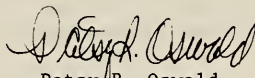
Mr. Helfeld indicated that the Closed Session listed on the agenda on real property negotiations for San Francisco Naval Shipyard with the United States Navy would not be held.

Ms. Ong announced that there would be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Ong, and unanimously carried that the meeting be adjourned to a Closed Session on Personnel. The meeting adjourned at 7:15 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

April 13, 1993

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
30TH DAY OF MARCH, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 3:00 o'clock p.m. on the 30th day of March, 1993, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Ben L. Hom, President
Cynthia Choy Ong, Vice President
Buck Bagot
Sonia S. Bolanos
Leroy King
Gary Kitahata

and the following was absent:

Clarence Stern (Arrived 4:00 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Naomi Cantrell, Young Community Developers; Ray Jones, Urban Economic Development Corporation; Chris Haw, Mayor's Office of Community Development; Keith Consoer, PAACN; Mike Mahoney, San Francisco Police Department; Vincent McVarley, Grisby, Brandford; Terence E. Camerford and Stephen Hicks, Paine Webber; Jerry Yoachum, Renge Securities; Frank Soriano and Joseph Rucote, Sutter Securities; Don Marcos, South of Market Employment Center; Claude Ver, San Francisco Renaissance; and Beti Anderson, Fellowship Academy.

APPROVAL OF MINUTES

It was moved by Mr. Kitahata, seconded by Mr. King, and unanimously carried that the minutes of the Special Meeting of March 1, 1993 and the minutes of the Regular Meeting of March 2, 1993, as distributed by mail to the Commissioners, be approved.

President Hom announced that there would be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. Bagot, seconded by Ms. Ong, and unanimously carried that the meeting be adjourned to a Closed Session. The meeting adjourned at 3:20 p.m.

RECONVENED

At this time, 4:00 p.m., the meeting reconvened back to Regular Session with the same roll call, with the addition of Mr. Stern.

UNFINISHED BUSINESS

- (a) President Hom introduced item (a), which requests authorization and execution of Loan Agreements relating to the issuance of certain bonds by the City and County of San Francisco Redevelopment Financing Authority, approving the final official statement relating to such bonds, and authorizing and approving other matters properly related thereto in connection with All Redevelopment Project Areas. It is recommended this item be continued.

RULE OF THE CHAIR: PRESIDENT HOM INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 55-93, AND THE CITY AND COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY MEETING WOULD BE CONTINUED. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS - CONSENT AGENDA

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing a \$16,000 amendment to the Personal Services Contract with National Economic Research Associates, Inc. (NERA) to provide additional consultation on staff proposals for implementing the NERA Study.
- (b) Authorization to exercise the Agency's Repurchase Option with respect to 126 Jerrold Avenue of Morgan Heights Condominium Development, adjacent to Hunters Point.

ADOPTION: IT WAS MOVED BY MR. KING,, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) AND (b), RESOLUTION NUMBERS 57-93 AND 58-93, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) Jack Robertson, Housing Development Specialist, introduced item (c), which requests authorization of a loan for an amount not to exceed \$261,493 to Housing for Independent People (HIP) for acquisition and rehabilitation expenses related to 820 O'Farrell Street as part of the City-wide Tax Increment Housing Program. The Agency has previously provided a \$1,161,181 grant for acquisition and rehabilitation and a \$75,000 predevelopment loan, including a \$17,000 loan amendment, to pay for various expenses associated with the project. However, additional funds are being requested because of: increased rehabilitation costs; additional option payments; and a reduced SAMCO permanent loan amount. The Agency loan will be repaid from available project cash flow. A preliminary commitment has been received from HUD's Section 8 McKinney Moderate Rehabilitation for Homeless Program for

Minutes of a Regular Meeting, March 30, 1993

additional financing and HIP are hopeful escrow will close on the property by mid-April. HIP will own and operate this property, comprised of 53 studios and two one-bedroom units, as low income housing for homeless and mentally disabled individuals and will contract with Conard House to provide supportive services. The loan has been approved by the City-wide Housing Loan Committee.

ADOPTION: IT WAS MOVED BY MS. ONG, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 59-93 BE ADOPTED.

REPORT OF THE PRESIDENT

- (a) President Hom noted that the Redevelopment Agency Commission will host a reception for the Airports, Public Utilities and Board of Permit Appeals Commissions on March 30 at the Miyako Hotel.
- (b) President Hom noted that on April 23 at 2:00 p.m., there will be an Agency meeting at the Holiday Inn in Chinatown with the Mayor and his senior staff.
- (c) President Hom reported that on March 25 he attended a meeting of the Mid-Market/U.N. Plaza Association accompanied by Agency staff member Erwin Tanjuaquio.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On March 31, the Budget Committee of the Board of Supervisors will consider a Budget Amendment to establish a category of expenditure in the amount of \$975,000 for the Redevelopment Survey Area for the 10th and Market site for the proposed new Federal Office building and designating the area as a Redevelopment Survey Area.
- (b) On March 25, Supervisor Shelley's Select Committee on the Hunters Point Naval Shipyard and Presidio Army Base closure recommended a Redevelopment Survey Area be created at the Shipyard. However, since there are budget implications, it is being deferred until the April 7 meeting of the Budget Committee before it goes before the full the Board of Supervisors.
- (c) The Commissioners Conflict of Interest statements are due on March 31, 1993.
- (d) It appears that the citizens who spoke at the March 23, 1993 Agency meeting regarding Kaiser were unnecessarily concerned since the Agency has not received a formal request from Kaiser and there is no intention of expanding the Redevelopment Project Area boundaries.
- (e) On March 29, the Executive Director made a presentation at a meeting of the I-Hotel Committee who are developing a proposal for 126 low-income senior housing units. The owner of the

property was in attendance as well as representatives from the Mayor's Office of Housing. It was emphasized that the Agency will not do anything in the area unless requested to do so by the Chinatown Citizens Group and then would only be developing a program and plan with them. The issue was raised by the Chairman about the Agency meeting planned for April 23 at the Holiday Inn in Chinatown and it was indicated that it is felt the idea of that meeting was to give greater exposure to the possibility of Redevelopment being involved in the development of the I-Hotel site. Ted Dientsfrey, Director of the Mayor's Office of Housing, seemed to disagree with some of the remarks on what the Agency's role might be and it was subsequently suggested to him that in the future the Agency and his office should agree on the ground rules and have a common public position and he concurred.

Ms. Ong noted her concern that a budget prepared by the Agency was submitted to Supervisor Shelley's Select Committee on the Hunters Point Shipyard but not to the Citizens Advisory Committee (CAC) and she would hope this would not happen again because it shows lack of respect for the CAC.

Mr. Helfeld indicated that it had been made clear to the Committee this was only an initial draft to give an idea of the magnitude of all that has to be done and that until it is reviewed by the CAC it would remain a draft.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Kitahata requested that Real Property Negotiations for the southeast corner of Third and Howard Streets (East Block 2-C) with the Jewish Museum and Hampshire Properties be on the Closed Session Agenda of April 6, 1993.
- (b) President Hom indicated that with regard to Kaiser, the matter will not be opened until information is received on what might occur and there is further communication. Mr. Helfeld indicated that there is no need for any action because a proposal has not been received from Kaiser.
- (c) President Hom noted he had indicated to Dr. Lowe that discussion at the Agency meeting scheduled for April 23 in Chinatown will not be limited to the I-Hotel and that it is merely to inform the concerned citizens that the Agency and the Mayor's Office is looking at this very carefully.
- (d) In response to an inquiry from Mr. Bagot, Mr. Helfeld indicated that the Mayor's Office of Economic Planning and Development (MOEPD) is in the process of transferring the loan program to the Mayor's Office of Community Development (MOCD).

Mr. Bagot noted his concern that Young Community Developers (YCD) continues to fail to reach its goals and if all the energy is going into tutoring people and developing job skills then perhaps the Agency should give more credit for that and focus less on job placement.

Naomi Cantrell noted that she has held the position of Executive Director of YCD since November 5, 1992 and there are plans for re-organizing and hiring two additional staff members. She indicated that she would like to see YCD get more credit for the work that is being done which exceeds the number of hours that are being paid for, rather than just for job placement. A recommendation for changed goals will be submitted to the Commission and staff on or before April 15, 1993.

- (e) Mr. Bagot noted his concern about the apparent continuing inability to help African Americans start new businesses and inquired why the number Urban Economic Development Corporation (UEDC) produced were so low in light of the fact that the criteria has been changed. He further inquired regarding whether WISE and San Francisco Renaissance had had any success in assisting African Americans start businesses.

Mr. King indicated that the lack of success in starting African American businesses is the reason the loan program is being moved from the Mayor's Office of Economic Planning and Development (MOEPD) to the Mayor's Office of Community Development (MOCD). A lot of the loans were being disapproved and being held up by the Title IX Loan Board because of the criteria so the situation should now improve.

Lucia Mele, Economic Development Specialist, indicated that MOEPD indicated that four loans had been submitted under the new criteria, one was disapproved, one was returned for lack of information, one in Hunters Point was approved and one in the Western Addition was approved.

Mr. Bagot indicated that he had expected a significant improvement with the changed criteria.

Ray Jones, UEDC, indicated that it is one thing to change the criteria but it is another thing to adopt that criteria and the reason MOCD took over the loan program is because the Title IX Loan Board, many of whom have been in place 23 years, just cannot change habits by changing criteria because they are used to doing it one way. It is encouraging to have the loan program in the hands of an agency that understands community development and the spirit of the program.

Chris Haw, MOCD, indicated that MOCD is in a transition stage right now because packages and information are being transferred to that office and a new Loan Committee is being organized. It is proposed to permit re-submittal of loans that were previously rejected. It was a very long process to come up with a new underwriting criteria, however, if it becomes necessary then the criteria will be changed again.

- (f) In response to an inquiry from Mr. Bagot, Ms. Mele indicated that loan packages in connection with the South of Market loan program have been delayed pending approval by the Agency's Legal Department of the form of loan agreement that will be executed

between the borrower and the Agency. There are five loan packages that have been pre-approved by MOEPD, but with the transition of the loan program to MOCD it is unclear when they will be finalized.

In response to an inquiry from Mr. Bagot, Ms. Mele indicated that San Francisco Renaissance has reported serving fourteen African Americans residing in Redevelopment Project Areas and WISE has reported serving eighty five women clients residing in Redevelopment Project Areas, however, this figure is not broken down by race.

Mr. Bagot requested a report on the number of African Americans that have started new businesses, even the small ones under the WISE \$5,000 loan program.

- (g) Mr. Bagot noted that a delegation for community based development and economic development organizations from South Africa will be visiting San Francisco later in the week and has asked him to arrange a meeting with people in housing and economic development activities.
- (h) Ms. Ong distributed a draft resolution on the Legal Consultants Policy for review by the Commissioners and staff prepared by herself and Ms. Bolanos with the assistance of a consultant.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Keith Consoer, PAACN, noted that the community will have a meeting with Kaiser to discuss their plans and he would like to invite the Commissioners and staff to attend.

Mr. Helfeld noted that there has not been an official request from Kaiser and staff has no intention of recommending an expansion of the Redevelopment Project Area boundaries to the Commission, however, staff will be pleased to cooperate.

President Hom indicated that Mr. Consoer should make a written request to the Executive Director requesting Agency participation.

Mr. Consoer indicated he will keep the Commission and staff informed of the meeting dates.

Mr. King indicated he did not believe the Agency could get involved until there is an official request from Kaiser, however, he would be attending the meetings as a citizen since he is a resident of the area.

President Hom announced that there would be two Closed Sessions regarding Real Real Property Negotiations pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property locations and the entities the Agency may negotiate with are:

San Francisco Naval Shipyard with the United States Navy; and

block bounded by Market, Mission, 10th and 11th Streets with Bank of America, NT & SA.

There is an additional Closed Session item which arose subsequent to posting of the agenda on Friday, March 26, 1993. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a two-thirds vote of the Commission members is required to add this item.

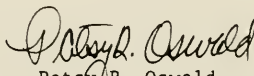
MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON MARCH 26, 1993.

This item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at 1431 Eddy Street in the Western Addition A-2 and the parties the Agency may negotiate with are Leola King and Tony Taylor.

ADJOURNMENT

It was moved by Ms. Ong, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations. The meeting adjourned at 4:45 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

April 27, 1993

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
6TH DAY OF APRIL, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 6th day of April, 1993, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Ben L. Hom, President
Cynthia Choky Ong, Vice President
Sonia S. Bolanos
Leroy King
Gary Kitahata
Clarence R. Stern

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and the following was absent:

Buck Bagot (Arrived 4:10 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: George Mix; Dario Harper; Darnay McPherson; Jeff Gross; Bob Davis; Inez Rosa; Millard Larkin; Katrice Wiggins; Liz Byas; Mayor's Office; Maxine Miles Howard and Geraldine Johnson, Martin Luther King, Jr. Civic Committee; Katherine Nash; Charles Bradley; Maurice Johnson; La Vanda Moore; Toriano Brown; Charles Grayson; Behati Banks; Omar McCutcheon; Sekov Harper; Brian Lott; Chango Lake; Mary Folly; Terrence Hanserd; Michael Fields; Rich O'Neal; Sean Okry; Mazlon McPherson; Michael Coleman; Tyese Brown; Robert Ho, Chris Chai and Andrew Murphy, Asian Inc.; and Mike Mahoney, San Francisco Police Department.

NEW BUSINESS

- (a) Leamon Abrams, Chief of Economic Development, introduced item (a), which requests authorization of an expenditure of an amount not to exceed \$50,000 from the Bayview/Hunters Point and Western Addition economic development funds and authorizing a Letter Agreement with the Mayor's Office of Criminal Justice's Gang Prevention Program to hire a Project Director for the Disadvantaged and High Risk Youth Pilot Employment Program. At a Joint Hearing of the Economic and Social Policy Committee of the Board and Supervisors and the Agency Commission held on July 14, 1992, the Mayor's African American Development Task Force submitted its recommendations to the Commission as required by the Finance Committee of the Board for an Implementation Plan. Supervisor Kennedy submitted an amendment that had been agreed to by the Task Force calling for the establishment of a

Disadvantaged and High Risk Youth Employment Program. The Commission unanimously adopted the loan revisions recommended by the Task Force in Section IV-A of its Final Report and allocated an additional \$2,247,037 to the existing Small Business Revolving Loan Program and allocated \$1 million for the Youth Pilot Employment Program, which is funded with \$500,000 from the Hunters Point economic development funds and \$500,000 from the Western Addition economic development funds. The legislation that created the Youth Pilot Employment Project required the establishment of a seventeen member Task Force which has determined that a Project Director should be hired to develop program criteria and operational policies and procedures. It is proposed to expend an amount not to exceed \$50,000 from the \$1 million Youth Pilot Program of the Bayview/Hunters Point/Western Addition economic development funds and to authorize a Letter Agreement with the Mayor's Office to hire a Project Director for the Pilot Youth Employment Program. The draft Pilot Youth Employment Program calls for hiring approximately 45 youths to work in various City Departments and would offer a full year of employment and training at an average hourly rate of \$9.00. The Commissioners have been provided with a letter of support from Supervisor Kennedy.

The following persons spoke in support of item (a): Dario Harper; Darnay McPherson; Jeff Gross; Bob Davis; Inez Rosa; Millard Larkin; Katrice Wiggins; and Liz Byas, Mayor's Office.

Mr. Bagot arrived at this time, 4:10 p.m., during the speaker presentations.

The speakers expressed appreciation to the Commissioners, staff and Millard Larkin for their support of the program.

Mr. Larkin noted that it would be more appropriate to thank the Task Force which has been instrumental in developing a very comprehensive program involving youth throughout the entire City.

Ms. Byas indicated that the proposal has Mayor Jordan's full support.

Mr. King indicated he would like to acknowledge the efforts of Wil Battle, Agency Community Liaison Officer, who has worked very hard on this project.

Mr. Battle indicated that thanks are due to the Task Force and the youths who are here to urge the Commission's support of this item. He noted that Supervisor Kennedy held a Pre-orientation on the program on March 25 at the Board of Supervisors Chambers which was attended by fifty-five youths.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 60-93 BE ADOPTED.

- (b) William Carney, Senior Staff Architect, introduced item (b), which requests authorization of an expenditure of up to \$585,000

for the construction of the Martin Luther King, Jr. Memorial and other Esplanade artwork in Yerba Buena Gardens of Yerba Buena Center. The designs and budgets for the Esplanade artwork were approved during the design process for the Esplanade in 1991. However, when the construction of the project was bid in late 1991, significant portions of the artwork were not included in the bid documents in order to provide the artists with more time to document their work and perfect the means of implementing the finished artwork. The proposed authorization will permit completion of the artwork at this time through change orders to the construction contract with Stolte, where direct labor by the artists is needed during implementation, through the design contract with MGA Partners, under which the artists serve as subconsultants. The approved process for issuing change orders includes regular reports to the Commission detailing the purpose and amount of each change order, and change orders relating to the artwork would be included in these reports. Funds are available within the approved artwork budgets. The approved artwork includes: the Martin Luther King, Jr. Memorial designed by African American artist Houston Conwill; granite walls to either side of the fountain embellished by the silver inlay work of Danish artist Lin Utzon; a council ring of stones located in a grove of native redwoods referencing the discovery of an Ohlone tribal burial site by artist Juane Quick-to-See Smith; John Ruloff's green grass "Sinking Ship" suggests the presence of the voluminous convention space beneath the Esplanade; a realistic bronze "Shaking Man" by Terry Allen; and a butterfly garden created by Reiko Goto.

Maxine Miles Howard, member of the Martin Luther King, Jr. Civic Committee, requested approval of item (b).

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 61-93 BE ADOPTED.

Geraldine Johnson, Martin Luther King, Jr. Civic Committee, expressed appreciation to the Agency for its cooperation in working closely with the Committee.

Ms. Johnson also expressed appreciation to the Agency for its support of the Youth Pilot Employment Program, particularly to Wil Battle who has spent a great deal of time developing the program which provides a unique opportunity for young people in the City.

- (c) Mr. Helfeld introduced item (c), which requests authorization for Executive Director Edward Helfeld to travel to Minneapolis, Minnesota, May 12-16, 1993 to attend the Urban Land Institute (ULI) Conference at a cost not to exceed \$1,500. The Executive Director has been invited to make a presentation at the Conference, and an opportunity will also be provided to engender interest in the development community for the Agency's properties in Yerba Buena Center. Approval of this travel is subject to approval by the Mayor's Office.

Ms. Ong noted that in the future the Commission should be sensitive to travel requests because of the current budget crisis.

Mr. Helfeld indicated that if this trip did not include an opportunity to market the Agency's properties, then this travel would not have been requested.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MS ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 62-93 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), an initial workshop, the purpose of which is to present recommendations for amending the Agency's Purchasing Policy with regard to Professional and Personal Services Contracts. Subsequent to a Supreme Court decision in 1989 in the City of Richmond v. J.A. Croson Company that public entities cannot have a goal-oriented Minority and Woman Business Enterprise (M/WBE) Program in the absence of evidence of prior discrimination, the Agency hired National Economic Research Associates (NERA) to collect anecdotal evidence of discrimination and prepare a disparity study. Staff has developed its proposal in accordance with applicable law and the NERA disparity study. The major provisions are: reinstituting goals, 13.7 percent for MBE's and 16.5 percent for WBE's; a \$3.5 million threshold for decertifying M/WBE's; first consideration given to local M/WBE's; re-enforcement of good faith efforts; and requiring consultants to establish employment goals whereby, if good faith efforts are not made, the Agency may terminate the contract. Staff proposal and the NERA study have been distributed to members of the Coalition for Economic Equity, which represents most of the M/WBE's that might be interested in a policy that affects Professional and Personal Services contracts, and the Coalition has been notified of this workshop.

Mr. King noted his concern at the lack of community representation and inquired regarding the notification process.

Mr. Helfeld indicated that this is only an initial workshop which has been scheduled because staff had made a commitment to the Commission to have a proposal by this date; however, the document was not completed in time to give two weeks notice. In the near future, when the document has been fully circulated, there will be another workshop.

Mr. Bagot noted that basically this is a thoughtful and well constructed recommendation from staff. The policy this Commission has set up so far in the context of the Croson decision is the best that can be achieved. Another strategy would be to ignore the Croson decision and set goals that it is believed are reasonable, although such action could result in going to court. It is crucial the community organizations that fight these issues understand where the Commission is coming from, and that its position is not because of lack of belief in affirmative action, but because of the Supreme Court's decision in the Croson case. He indicated he would be agreeable to postponing this matter for two weeks in order to give the

community an opportunity to comment and understand the strategy to see if they think the Agency is settling for too little.

In response to in inquiry from Mr. King, Louis Preston, Assistant Director, Community Services, indicated that there have been meetings, particularly with the Coalition for Economic Equity, who represent a large number of organizations and professions to discuss the concept of the program, and Aileen Hernandez may be here to comment. However, there was not time for widespread notification.

Ms. Ong indicated that she would like the matter scheduled for a public hearing only after there has been a full announcement to the public so there can be a proper attendance. She noted that she had not had time to properly digest the contents of the documents and neither had Asian, Inc. who indicated there was insufficient time to make an analysis in order to respond.

Mr. King indicated his concurrence with Ms. Ong's suggestion of a postponement until there has been adequate notification to the public.

Ms. Bolanos indicated she would like to make it clear that she differs from Mr. Bagot that this Commission can make decisions that are opposite to the Croson decision because it simply would be illegal. She noted her support of the suggestion to postpone the workshop to permit an opportunity for as much public testimony as possible and recommended that the workshop be scheduled for 5:30 p.m. to accommodate people who cannot attend earlier.

Mr. Kitahata indicated he felt it would be appropriate to hear members of the public who are specifically here to speak on this item and for the Commissioners to comment.

Mr. Stern indicated he, too, felt it would be appropriate to hear public testimony.

President Hom inquired if there was anyone wishing to speak in connection with this matter and hearing none, he indicated that all discussion would be postponed until another workshop is scheduled, and there has been proper notification.

MOTION: IT WAS MOVED BY MS. ONG, SECONDED BY MR. KING, AND CARRIED, WITH MR. KITAHATA OPPOSING, THAT THE WORKSHOP BE POSTPONED UNTIL THE APRIL 20, 1993 MEETING TO ALLOW TIME FOR PROPER NOTIFICATION.

Mr. Helfeld requested that if the Commissioners have suggestions or comments on the proposal, that they contact staff.

REPORT OF THE PRESIDENT

- (a) President Hom indicated that although Patsy Oswald, Agency Secretary, and Patricia Nacey are not present, he would like to acknowledge their valuable assistance in connection with a number of Commission-related functions.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld led the Commissioners on the following matters:

- (a) On April 5, the Board of Supervisors approved the designation of the 10th and Market site for the proposed new Federal Office Building as a Redevelopment Survey Area and approved the budget of \$975,000 by a vote of nine to zero.
- (b) On April 7 at 2:00 p.m., the Budget Committee of the Board of Supervisors will be considering the Hunters Point Shipyard designation as a Redevelopment Survey Area.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Ms. Bolanos noted that Manuel Rosales of the Parking and Traffic Commission, who has been delegated the responsibility of finding a site for Parking and Traffic to consolidate its administrative and operational offices, has requested assistance in finding a site and, further information on this matter will be forthcoming.

President Hom announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the southeast corner of Third and Howard Streets (East Block 2-C), and the entity the Agency may negotiate with is Hampshire Properties, Inc.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

There is an additional Closed Session item which arose subsequent to posting of the agenda on Friday, April 2, 1993. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a two-thirds vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT WAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS ITEM AROSE AFTER POSTING OF THE AGENDA ON APRIL 2, 1993.

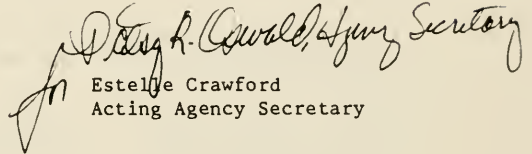
This item is pursuant to Government Code Section 54956.8 to instruct the Agency's Real Property Negotiator. The property is located on the north side of Mission Street between Third and Fourth Streets in Yerba Buena Center with the Mexican Museum.

Minutes of a Regular Meeting, April 6, 1993

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations and Personnel. The meeting adjourned at 4:45 p.m.

Respectfully submitted,

 *Estelle Crawford, Acting Secretary*

APPROVED

May 25, 1993

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
13TH DAY OF APRIL, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 13th day of April, 1993, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Ben L. Hom, President
Sonia S. Bolanos
Leroy King
Gary Kitahata

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and the following were absent:

Cynthia Choy Ong, Vice President (Arrived 4:15 pm)
Buck Bagot (Arrived 4:35 pm)
Clarence R. Stern (Arrived 4:10 pm)

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Dwight Kinnard, P & K Trucking; John Buss and Redmond Kernan, representing Hampshire Properties and Forte Hotels; Fernando Garcia, Freeman & Garcia; and Jay Parashis, San Francisco Police Department.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meetings of March 9, 16 and 23, 1993, and the minutes of the Closed Session of March 2, 1993, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of an extension of Exclusive Negotiations, until September 15, 1993, with the San Francisco Housing Development Corporation (SFHDC) for Site DD-2, located on the south side of Hudson Avenue at Whitney Young Circle in Hunters Point. SFHDC, a community based African American nonprofit housing corporation, proposes to develop thirty-three single family homes for purchase by low and moderate income households. To date, a commitment of \$177,000 has been received in predevelopment funds from the Local Initiative Support Corporation and the Agency has provided a \$75,000 predevelopment loan. A conditional construction loan financing commitment has been received from the Bank of America;

however, this commitment is contingent upon the Agency's contribution of \$1.463 million in subsidies to make the housing affordable to low and moderate income households. Additional time is needed for: review and approval of the Agency's budget by the Mayor's Office; the developer to explore other sources of financing; conduct predevelopment work; and continue a search for a new Executive Director to replace Francine McKinney who resigned from the position in December 1992.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 63-93 BE ADOPTED.

REPORT OF THE PRESIDENT

- (a) President Hom indicated that the Agency meeting scheduled for April 23, 1993 at the Holiday Inn in Chinatown has been postponed until further notice.
- (b) The April 20, 1993 Agency meeting will start at 3:00 p.m.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Commissioners have been provided with an invitation to the People's Earth Day Celebration being held on April 17, 1993 from 10:00 a.m. to 5:00 p.m. This event was the subject of action taken by the Commissioners on March 16, 1993 to amend the Bayview/Hunters Point Economic Development Implementation Program to help sponsor the celebration in the amount of \$80,000.
- (b) A workshop on recommendations for amending the Agency's Purchasing Policy with regard to Professional and Personal Services Contracts is being scheduled for the April 27 Agency meeting at 5:30 p.m. Recommendations for amending the Agency's Purchasing Policy with regard to Legal Services Contracts will be considered at the May 4 Agency meeting.
- (c) On April 7, the Budget Committee of the Board of Supervisors voted affirmatively in designating the Hunters Point Shipyard a Redevelopment Survey Area. The matter will be before the full Board on April 19, 1993.
- (d) Gene Suttle, Senior Deputy Executive Director, reported that he attended a meeting of the Health and Public Safety Committee of the Board of Supervisors regarding drug abuse and related crime in the Oceanview-Merced-Ingleside District (OMI). The Agency was requested to appear because of its past capabilities in moving forward on transactions related to the acquisition of real property. There is an abandoned laundromat building at 345 Randolph Street that the neighbors have indicated they would like to purchase; however, no reason for the purchase has been identified, except that it might be good for some community use. It was indicated that a reason for the purchase would have to be

known, a rehabilitation schedule drawn up and there would need to be meetings with the Mayor's Office of Community Development (MOCD) to fund any program that might go in the building. In addition, the Agency would have to request a budget amendment since it could not legitimately be declared a blighted area, and an original law would have to be invoked that allows a legislative body to buy a property outside a project area. Staff will be meeting with MOCD and bringing back a recommendation for consideration by the Commission.

Mr. Stern arrived during Mr. Suttle's presentation, 4:10 p.m.

In response to an inquiry from Mr. Kitahata, David Madway, Agency General Counsel, indicated that there is a provision in State law that allows the Agency to buy property outside of a project area at the request of a legislative body. This provision was added at the request of the San Francisco Redevelopment Agency some years ago.

Ms. Ong arrived at this time, 4:15 p.m.

Mr. Helfeld indicated that it is simply a case of the Agency acting as a real estate agent for the local governing body to buy a piece of property.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Dwight Kinnard, P & K Trucking, noted that he had requested support some time ago to acquire property in the Hunters Point Naval Shipyard. He further indicated there is a lot of toxic waste and if clean fill is dumped, it will result in a great savings.

Mr. Helfeld noted that the Agency is not responsible for any clean up at the Shipyard and has no rights in the property at all. He indicated that a lease is being negotiated with the Navy; however, the Agency has no authority to undertake any transactions with regard to the Shipyard at this time.

- (b) John Buss and Redmond Kernan, representing Hampshire Properties and Forte Hotels, noted their concern that apparently a decision has been made by the Commission for housing and a museum on East Block 2-C (EB-2C) in Yerba Buena Center, rather than a 300-room hotel development on which the Agency had been approached in May 1992. Mr. Buss indicated that the developer made an attempt to work with the Jewish Museum, but was informed discussions could not take place because the Museum has an agreement with the Agency. Of two other sites suggested, one is not available, and East Block 2-A is too large for the proposed hotel development but ideally suited for housing. The developer is ready to move forward, and the project could be completed in three years. It will not only generate hotel tax and provide economic benefits, but will support the existing Moscone Convention Center facilities.

Mr. Bagot arrived at this time, 4:35 p.m., during the speaker presentations.

Mr. Stern indicated that the site has not been designated for housing yet.

Mr. Helfeld indicated that the Commission has the authority to designate a specific land use and instructed staff to prepare a Request for Proposals (RFP) for EB-2C calling for housing with the Jewish Museum on the ground floors. Therefore, the Commission has made a decision on a specific land use on this site which staff strongly feels is suitable for housing, and on the basis of this decision, discussions have been held with the Jewish Museum about being part of this development. However, it is the Commission's prerogative to change those instructions. Also the proposal is for a hotel development with the Jewish Museum on the podium level which is not appropriate. It is not a question of the Agency not wanting to deal with this developer, but this particular site is designated for housing, and staff is willing to work with them to find another site.

Ms. Ong indicated that since she became a Commissioner, it had been her understanding that this site would be designated for housing, which she supports; she had hoped this developer would be interested in developing a hotel on EB 2-A.

In response to an inquiry from Mr. Stern, Mr. Buss indicated that it would be difficult to tie the Williams Building into the project, and it would add to the cost of new construction.

Mr. Kitahata indicated he believed it is premature to restrict the use to housing and proposals of any kind should be welcomed. Furthermore, it was his understanding a decision could only be made by voting in public.

David Madway, Agency General Counsel, indicated that a decision to enter into a Land Disposition Agreement can only be in public; however, the Commissioners can instruct their negotiator on the land use within the parameters of the plan in Closed Session, since the land use has a direct and significant bearing on price.

Mr. Helfeld noted that this is a Closed Session agenda item, and there can be further discussion at that time.

Mr. Kinnard noted his support of the hotel development because the City needs the revenue that the taxes will generate.

President Hom announced that there would be four Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities that the Agency may negotiate with are:

San Francisco Naval Shipyard with the United States Navy; and

Minutes of a Regular Meeting, April 13, 1993

northeast corner of Third and Mission Streets in Yerba Buena Center with Griffin Related Properties VII; and

northwest corner of Van Ness Avenue and Myrtle Street in the Western Addition A-2 with a joint venture of Marc Facio and S. Osborn Ericksen and with Urban Homes (Sam Chun); and

north side of Mission Street between Third and Fourth Streets in Yerba Buena Center with the Mexican Museum.

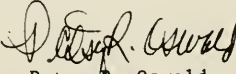
There will also be a Closed Session pursuant to Government Code Section 54956.9 (b)(1) regarding facts and circumstances on which Agency General Counsel believes there is a significant exposure to litigation.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Ms. Bolanos, seconded by Mr. King, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations, Exposure to Litigation and Personnel. The meeting adjourned at 4:50 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

May 25, 1993

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MINUTES OF A SPECIAL MEETING OF THE
// REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
26TH DAY OF APRIL, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a Special Meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 26th day of April, 1993, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Ben L. Hom, President
Cynthia Choy Ong, Vice President
Buck Bagot
Sonia S. Bolanos
Leroy King
Gary Kitahata
Clarence R. Stern

and the following was absent:

None

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Fred Furth, Attorney; Roscoe Williams, Chinatown resident; Dwight Kinnard, P & K Trucking; Maria Martinez, Democratic County Central Committee; Margaret Verges; Ace Washington; Jason Wong; Richard Brown; and Doug Comstock.

- (i) Consideration of an amendment to the By-Laws of the Redevelopment Agency of the City and County of San Francisco by adding Section 28, which reads "Incapacity of Officers Any officer of the Agency who has been charged by the appointing officer pursuant to Health and Safety Code Section 33115, or any successor statute, shall be suspended from such office during the pendency of such charges and shall not perform any functions of such office during such suspension".

David Madway, Agency General Counsel, noted the sections of the Agency's By-Laws for the calling of the Special Meeting and authority to amend the By-Laws.

The following persons spoke regarding the amendment to the By-Laws and also noted their support of President Hom: Fred Furth, Attorney; Roscoe Williams, Chinatown resident; Dwight Kinnard, P & K Trucking; Maria Martinez, Democratic County Central Committee; Margaret Verges; Ace Washington; Jason Wong; Richard Brown; and Doug Comstock.

MOTION: IT WAS MOVED BY MS. ONG, SECONDED BY MR. KITAHATA, APPEALING THE CHAIR'S REFUSAL TO RECOGNIZE THE MOTION TO AMEND THE BY-LAWS AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Bagot
Ms. Bolanos
Mr. Kitahata
Ms. Ong
Mr. Stern

AND THE FOLLOWING VOTED "NAY":

Mr. King
Mr. Hom

AND THE FOLLOWING ABSTAINED:

None

IT WAS DECLARED THAT THE MOTION CARRIED.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. HOM, THAT THE ITEM REGARDING THE AMENDMENT TO THE BY-LAW CHANGE BE TABLED AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. King
Mr. Hom

AND THE FOLLOWING VOTED "NAY":

Mr. Bagot
Ms. Bolanos
Mr. Kitahata
Ms. Ong
Mr. Stern

AND THE FOLLOWING ABSTAINED:

None

IT WAS DECLARED THAT THE MOTION FAILED.

MOTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. KITAHATA, THAT THE BY-LAWS OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO ARE HEREBY AMENDED BY ADDING SECTION 28 AS FOLLOWS:

SECTION 28. INCAPACITY OF OFFICERS. ANY OFFICER OF THE AGENCY WHO HAS BEEN CHARGED BY THE APPOINTING OFFICER PURSUANT TO HEALTH AND SAFETY CODE SECTION 33115, OR ANY SUCCESSOR STATUTE, SHALL BE DEEMED INCAPACITATED WITH RESPECT TO HIS OR HER OFFICE, SHALL BE SUSPENDED FROM SUCH OFFICE DURING THE PENDENCY OF SUCH CHARGES AND SHALL NOT PERFORM ANY FUNCTIONS OF SUCH OFFICE DURING SUCH SUSPENSION.

AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Bagot
Ms. Bolanos
Mr. Kitahata
Ms. Ong
Mr. Stern

AND THE FOLLOWING VOTED "NAY":

Mr. King
Mr. Hom

AND THE FOLLOWING ABSTAINED:

None

IT WAS DECLARED THAT THE MOTION CARRIED.

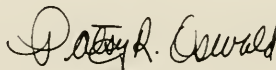
A full transcript of the proceedings is on file with the Agency Secretary.

President Hom announced that there would be a Closed Session Pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned to a Closed Session on Personnel. The meeting adjourned at 5:20 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

July 6, 1993

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
27TH DAY OF APRIL, 1993

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 27th day of April, 1993, the place and date duly established for the holding of such a meeting.

Mr. Hom indicated that since the By-law change at the April 26 meeting, which removes him as President because of charges brought against him, he would at this time turn the meeting over to Ms. Ong to conduct.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Sonia S. Bolanos
Ben L. Hom
Leroy King
Gary Kitahata
Clarence R. Stern

and the following was absent:

None

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Michael Sullivan, St. Vincent De Paul; Ed de la Cruz, West Bay Pilipino Multiservice Center; Michael Lehran, representing Ben Hom; Redmond Kernan and John Buss, Hampshire Properties, Inc.; Ocie Rogers, Bayview/Hunters Point; Toya Moses; Reverend Bruce Masadden; Allan Wong; Eddy Lau; Pete Lapid; Kevin Williams; Ace Washington; Roberta Allan; Reverend McCray and George Olivich, Architect, Jones Memorial United Methodist Church; Mark Berkman, NERA; and Henry Hewitt, Attorney.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meeting of March 30, 1993, as distributed by mail to the Commissioners, be approved.

UNFINISHED BUSINESS

- (a) Robert Gamble, Deputy Executive Director, Finance, introduced item (a), which requests authorizing and directing the execution of Loan Agreements relating to the issuance of certain bonds by the City and County of San Francisco Redevelopment Financing

Authority. In accordance with instructions from the Commission staff reconsidered the proposed reconfiguration of underwriters to see a greater participation of minority and woman-owned firms in lead roles in underwriting; if necessary to achieve objective, underwriting should be divided into component parts. Greater emphasis on efforts to hire locally-based firms were included. Pursuant to these instructions, staff has re-analyzed the proposals and interview data utilized for the previous recommendation and recommends taxable bonds be broken off as a separate transaction. Staff advises that the firms of Artemis Capital and Pryor McLendon be co-senior managers. Pryor is recommended as the book-running senior manager. Artemis and Pryor both have a significant amount of taxable transaction experience and a strong institutional sales capability. This is then a one hundred percent minority and woman-managed transaction and it will be the first transaction in the Agency's history with a black firm as the book-running senior manager. For the tax-exempt refunding transaction, Paine Webber is recommended again as the senior manager with Ramirez and Renge as co-manager. Paine Webber is recommended due to their retail sales force and the strength of their technical structuring ability. The latter is significant because of the sensitivity of this transaction to interest rate change. Staff recommends that the tax-exempt new money transaction be conducted as a competitive sale. The consequence of this changed configuration is over sixty percent of the negotiated bond sales will be conducted by minority and woman-owned firms and a minority firm will be book-running manager of one of the two negotiated transactions. Staff is comfortable that this configuration maximizes minority participation while protecting the Agency's financial interests.

Mr. Stern expressed his concern regarding the Agency not having policy guidelines for soliciting this type of work.

Mr. King indicated he was concerned that there has not been more San Francisco-based firms for this type of work and that no Black firm had been the lead firm before and he could not vote for this item.

Mr. Kitahata indicated that staff had done an exemplary job in putting this together and noted that personally he did not believe there should be a preference for local enterprises.

Mr. Hom indicated that he would abstain from voting on this item due to a potential conflict of interest.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, THAT RESOLUTION NO. 55-93 BE ADOPTED AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Bagot
Ms. Bolanos
Mr. Kitahata
Ms. Ong

Mr. Stern

AND THE FOLLOWING VOTED "NAY":

Mr. King

AND THE FOLLOWING ABSTAINED:

Mr. Hom

THE ACTING PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

At this time, 4:58 p.m., the meeting recessed to commence the San Francisco Redevelopment Financing Authority meeting. The meeting reconvened at 5:02 p.m. with the same roll call.

NEW BUSINESS- CONSENT AGENDA

Mr. Helfeld requested that Consent Agenda item (a) be continued and at Mr. Hom's request items (b) and (f) were removed from the Consent Agenda and considered as Regular Agenda items.

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (c) Authorization to exercise the Agency's Repurchase Option with respect to 132 Jerrold Avenue of the Morgan Heights condominium development; Hunters Point.
- (d) Authorizing approval of an extended lease with Planned Parenthood Alameda/San Francisco for office space at 815 Eddy Street.
- (e) Authorizing execution of agreement with the Pacific, Gas & Electric Company and authorizing an expenditure of \$237,944.41 for the installation of electrical facilities; Yerba Buena Gardens.
- (g) Authorizing a First Amendment to a \$250,000 Regulatory and Grant Agreement between the Agency and the Board of Trustees of the Glide Foundation for the disbursement of an additional \$30,000 to pay predevelopment expenses related to the new construction of affordable housing located at 333 Taylor Street, as part of the Citywide Tax Increment Housing Program.

ADOPTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (c), (d), (e) AND (g), RESOLUTION NUMBERS 66-93, 67-93, 68-93 AND 70-93, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Predevelopment Loan Agreement not to exceed \$75,000 with Walden House, Inc. for the development of a residential treatment facility and sober housing for substance abusers as part of the 1993 Citywide Tax Increment Housing Program. It is requested this item be continued.

RULE OF THE CHAIR: MS. ONG INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 64-93, WOULD BE CONTINUED. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (b) William Rumpf, Chief, Housing Production and Management, introduced item (b), which requests authorization of a conditional grant in the amount of \$150,000 to St. Vincent de Paul Society of San Francisco for Victims of Domestic Violence as part of the Citywide Tax Increment Housing Program.

Mr. Hom indicated he felt was not prudent at this time of budget crisis to authorize a grant that will not be repaid.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 65-93 BE ADOPTED.

Ms. Ong announced that there would be a brief recess. The meeting recessed at 5:04 p.m., and reconvened at 5:11 p.m. with the same roll call.

- (f) Jack Robertson introduced item (f), which requests re-entry of exclusive negotiations with Housing Development and Neighborhood Preservation Corporation for the development of affordable housing on Agency-owned land at 7th and Natoma Streets in the South of Market.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 69-93 BE ADOPTED.

- (h) Helen Sause, Project Director, Yerba Buena Center, introduced item (h), which requests authorization of a Fifth Amendment to the Agreement for Disposition of Land (LDA) with Griffin Related Properties-VII regarding the revision of the Schedule of Performance and other provisions of said Agreement in connection with East Block 1 (Parcel 3707-A) located at the northeast corner of Third and Mission Streets in Yerba Buena Center. Subsequent to authorization of the LDA in May 1990, certain requirements have been complied with, however, the Developer is unable to meet the performance dates with respect to: submission of final construction documents; submission of evidence of financing; conveyance of the site; and commencement and completion of construction. The reasons for the requested extension are: the slow rate of absorption of existing or approved office space; the inability to obtain tenants; and the resulting difficulty in obtaining construction and permanent financing. Staff has

re-examined the state of the office market as well as the financial strength of the Developer and finds the request to revise the performance schedule appropriate, particularly in view of the fact that the most recent amendment provided for the Agency's retention of the Developer's \$2.6 million housing contribution and a one percent increase in the Agency's 10 percent participation for each six month period that the Developer fails to purchase the site beyond December 4, 1991.

David Madway, Agency General Counsel, advised Mr. Hom not to participate in the discussion or vote as this particular item is the subject of one of the charges served on Mr. Hom.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. BAGOT, AND CARRIED, WITH MR. HOM ABSTAINING, THAT RESOLUTION NO. 71-93 BE ADOPTED.

- (i) Public hearing to hear all persons interested in lot coverage and building set-back variances for 1975 Post Street; Western Addition A-1.

Acting President Ong opened the Public Hearing to hear all persons interested in this matter.

Philip Westergaard, Real Estate Development Specialist, introduced item (i), which requests approval of two Variances modifying the lot coverage and building set-back requirements for the Jones Memorial United Methodist Church located at 1975 Post Street in the Western Addition A-1. The Jones Memorial Church, a fifty year old institution, has been evaluating the potential of expanding its present facilities to accommodate the congregations's present and future needs. It is proposed to demolish the existing church structure and construct a new two-story church facility, with 50 off-street parking spaces, which is compatible in terms of scale and siting with the existing neighborhood frontage along Post Street. Key architectural elements, including the stained glass windows, and skylights would be preserved. The A-1 Redevelopment Plan requires a five feet set-back on all streets for institutional uses and a maximum lot coverage limit of 75 percent. The design of the proposed development proposes no set-back except at the main entrance to the Church on Post Street and calls for a 91 percent lot coverage. Although the Foundation for San Francisco's Architectural Heritage supports retention of the building, the City Planning Commission has approved the variances and the proposal for a new facility has been approved by the San Francisco Landmarks Advisory Board.

At this time, 5:40 p.m., Mr. Bagot and Ms. Bolanos left the meeting.

Reverend McCray made a presentation on behalf of the Church.

George Olivich, Architect, described the project and noted the expensiveness of keeping the building.

There being no further persons wishing to appear in connection with this matter, the Acting President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 72-93 BE ADOPTED.

- (j) Philip Westerngaard, Real Estate Development Specialist, introduced item (j), which requests authorization of an Owner Participation Agreement with Jones Memorial United Methodist Church in connection with the development of 1975 Post Street in the Western Addition A-1. As indicated under the previous item, it is proposed to demolish the existing church structure and building a new church facility to accommodate the congregation's present and future use. It will also provide much needed space for the congregation's youth ministry. Staff finds the schematic design of the proposed project acceptable, subject to the satisfactory resolution of certain design concerns.

ADOPTION: IT WAS MOVED BY MR. HOM, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 73-93 BE ADOPTED.

- (k) Philip Williams, Housing Development Specialist, introduced item (k), which requests authorization of a Regulatory Loan Agreement in the amount of \$2,710,000 with Mercy Housing, Inc. for the development of affordable family rental housing at 1035 Fulton Street in the South of Market, as part of the 1993 Citywide Tax Increment Housing Program. Mercy Housing, in collaboration with Catholic Charities, proposes to develop forty-nine units of affordable family rental housing, with related amenities and supportive services, at 1035 Folsom Street for very low and low income households. In addition to City funding, Mercy plans to apply for an allocation of low income housing tax credits from the State and a permanent financing commitment from a private lender. Approval by the Citywide Housing Loan Committee is contingent upon an allocation of low income housing tax credits being received and Mercy providing an executed purchase contract that obligates the seller to perform all toxic testing and remediation work prior to close of escrow.

At this time, 5:45 p.m., Mr. Hom and Mr. King left the meeting and Mr. Bagot returned to the meeting.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 74-93 BE ADOPTED.

At this time, 5:50 p.m., Mr. Hom and Mr. King returned to the meeting and item (m) was taken up before item (l).

- (m) Ms. Ong introduced item (m), which requests consideration of an Employment Agreement with Executive Director Edward Helfeld. She submitted a letter dated April 26, 1993, signed by Mr. Hom on behalf of the Commission, to Mr. Helfeld that noted his Employment Agreement would expire on July 27, 1993.

Ms. Ong introduced Jon Henry Kouba, a Commissioner designee.

- (1) Ben Hattem, Agency Affirmative Officer, introduced item (1), which is a workshop to present recommendations for amending the Agency's Purchasing Policy with regard to Professional and Personal Services Contracts. He introduced Mark Berkman, NERA, and Henry Hewitt, Attorney, who both had been advising Agency staff. Subsequent to a Supreme Court decision in the 1989 in the City of Richmond v. J.A. Croson Company that public entities cannot have a goal-oriented Minority and Woman Business Enterprise (M/WBE) Program in the absence of prior discrimination, the Agency hired National Economic Research Associates (NERA) to collect anecdotal evidence of discrimination and prepare a disparity study. Staff has developed its proposal in accordance with applicable law and the NERA disparity study. A key provision of the recommendations is goals for minority and woman-owned professional personal services firms which reflect their availability, namely, 14 percent for MBE's and 17 percent for WBE's. Other major requirements are: that the Agency undertake certain good faith efforts to achieve the goals; that the Agency give first consideration to San Francisco-based minority and woman-owned firms; that professional and personal services prime contractors meet the M/WBE goals in their subcontracting; and that firms undertake affirmative action in the employment of professionals. The Commissioners have been provided with a list of individuals and organizations that have been notified of this workshop.

The following speakers commented on the Agency's draft Purchasing Policy with regard to Professional and Personal Services Contracts: Allan Wong; Eddy Lau; Peter Lapid; Marcia Rosen, Arnold Townsend; Dwight Kinnard, P & K Trucking; Kevin Williams; Ace Washington; Roberta Allan. NEED TO CHECK NAMES AND AFFILIATIONS

A discussion ensued between the Commissioners, staff and speakers regarding the subject Policy and it was noted that this workshop would be continued for a further hearing in approximately three weeks.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On April 19, 1993, the Board of Supervisors passed a resolution designating the Hunters Point Shipyard a Redevelopment Survey Area.
- (b) The Commissioners have been provided with an informational memorandum regarding the selection process for the Yerba Buena Gardens cafes.
- (c) The Commissioners have been provided with the first Quarterly Report on the performance goals established by the Commissioners for the Executive Director.

- (d) On April 27, 1993 the Center for the Aarts at Yerba Buena Gardens held a press conference to announced their programs for a Grand Opening Season in October of 1993.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) John Buss, Hampshire Properties, requested a workshop on development Parcel EB-2C on all issues before the offering of the parcel goes out to the public.

Mr. Helfeld indicated that a Request for Proposals is being prepared for housing and a museum and when calendared there will be a full and open discussion.

Ms. Ong announced that there would be four Closed Sessions regarding Real Real Property Negotiations pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property locations and the entities the Agency may negotiate with are:

San Francisco Naval Shipyard with the United States Navy; and

northwest corner of Van Ness Avenue and Myrtle Street, Western Addition A-2, with a joint venture of Marc Facio and S. Osborn Erickson, and with Urban Homes (Sam Chun); and

north side of Mission between Third and Fourth Streets, Yerba Buena Center with the Mexican Museum; and

southeast corner of Third and Howard Streets (East Block 2-C) Yerba Buena Center with Hampshire Properties, Inc.

There will also be a closed session regarding facts and circumstances on which Agency General Counsel believes there is a significant exposure to litigation pursuant to Government Code Section 54956.9.

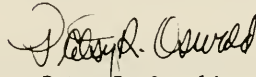
There will also be a closed session regarding litigation (Local 2 v. Marriott) pursuant to Government Code Section 54956.9(a); and

There will also be a Closed Session pursuant to Government Code Section 54957 on personnel.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Stern and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations, Litigation and Personnel. The meeting adjourned at 8:05 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

August 17, 1993

R35
#4
9463

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
4TH DAY OF MAY, 1993

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 4th day of May, 1993, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Sonia S. Bolanos
Ben L. Hom
Leroy King
Gary Kitahata
Jon Henry Kouba

and the following was absent:

Clarence R. Stern (Arrived 4:10 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: John Buss, Hampshire Properties, Inc.; Marie Acosta Colon, Mexican Museum; and John Elberling, representing the Council of Community Housing Organizations (CCHO).

NEW BUSINESS

- (a) Michael Kaplan, Project Coordinator, Rincon Point-South Beach, introduced item (a), which requests authorization of a Third Amendment to the contract with the California Department of Boating and Waterways (Cal-Boating) for the South Beach Small Boat Harbor and Park, which authorizes reduction of the interest rate on the loan with Cal-Boating from 7.9 percent to 4.5 percent effective December 1, 1992, in connection with Rincon Point-South Beach. This decrease in interest rate will lower the Agency's annual principal and interest payment to Cal-Boating by \$228,142 from \$650,924 to \$422,782. The projected savings over the life time of the Cal Boating loan will be \$9,685,845.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 75-93 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of the issuance of a Request for Proposals (RFP) and approving advertising expenses in connection with the offering for development of Agency Parcel EB-2C, located at the northeast corner of Third and Howard Streets in Yerba Buena Center.

- (c) Mr. Helfeld introduced item (c), which requests authorization to amend Resolution No. 20-93 authorizing the Executive Director to seek bond financing for development of the Children's Facilities on Central Block 3, the Mexican Museum and the Jewish Museum in a series of bond issues in connection with Yerba Buena Center.

Ms. Ong indicated that four Commissioners had requested that items (b) and (c) be continued.

Mr. Hom requested that the Agency hold a workshop on item (b) to address the issues openly, as on this particular property there has been numerous articles in the newspapers and other people have expressed an interest in this property. He noted there have been many discussions in Closed Session and believed it should be discussed in an open session at a workshop.

Mr. Stern arrived at this time, 4:10 p.m.

In reply to Ms. Ong's inquiry, David Madway, Agency General Counsel, indicated that when the RFP comes before the Commission for action the Commission always opens up the discussion to the public and there would be a full airing on any other thoughts or concerns that the public might have. A workshop would delay action for another week.

Mr. Bagot noted his agreement with Mr. Madway regarding a workshop and believed there should be a full public discussion of any matter, but that it can happen even if there is action before the Commission. He therefore did not see a reason for a workshop.

Ms. Ong noted Mr. Hom's comments and indicated that she believed the position of all the Commissioners would be to discuss the matter openly, publicly and it is intended to do so, however, at this time four Commissioners have asked for a continuance.

Marie Acosta Colon, Mexican Museum, speaking to item (c), noted she had been working with the Commissioners and staff for the last nineteen months and indicated it had been rewarding both professionally and personally. There was a meeting on May 3 with the Consulate General of Mexico responsible for relations for foreign affairs who have pledged support and, while a formal commitment has not been made, there has been potential generous city support towards building this museum.

Mr. Stern inquired when construction of the Mexican Museum would begin and Ms. Colon indicated as soon as the resources are available. There is a time line that has been developed with Agency staff that will be followed.

John Buss, Hampshire Properties, Inc., indicated he would not in town for the next three weeks and requested a workshop on item (b) prior to action on the RFP.

RULE OF THE CHAIR: ACTING PRESIDENT ONG INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, THAT ITEMS (c) AND (d),

RESOLUTION NUMBERS 76-93 AND 77-93, WOULD BE CONTINUED. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) He noted what items are permitted to be discussed under the Brown Act in Closed Sessions.
- (b) The Mayor's appointee to the Agency Commission, Jon Henry Kouba, was approved by the Rules Committee of the Board of Supervisors and the nomination will be before the full Board on May 10.
- (c) The Bank of America has approved its first guaranteed loan in the South of Market for \$50,000.
- (d) An article in the Chronicle noted that Mr. Maki, who is the architect for the Visual Arts Building in Yerba Buena Center, has been awarded the Pritzker Architectural Prize, which is the most prestigious architectural award in the world.
- (e) There have been discussions with the Mayor's Office regarding the consolidation of the Mayor's Office of Housing and the Agency's Housing Division. There have also been discussions regarding the Agency's budget and the substantial cuts the Mayor's budget staff is proposing.

Mr. Stern noted that it is often heard in the press that the Agency would go out of business. However, the Mayor seemed to be completely in support of this Agency and it is just a matter of how much the budget is going to be. So it is nice to report that the Agency's demise is not as imminent as one might have thought.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Hom welcomed Mr. Kouba and noted Mr. Kouba would be replacing Mr. Bagot on the Commission. He requested a copy of the April 27 meeting tape even though it is his understanding that the first hour or two might have been taped over.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) John Elberling, representing the Council of Community Housing Organizations (CCHO), noted CCHO's protest regarding the re-organization of the Mayor's Office of Housing and the Agency's Housing Division to the Mayor's Office without first having a hearing on the Strategic Plan's Working Paper No. 3, which is where the proposal is supposed to have been presented for comment. CCHO is strongly against the consolidation proposal and believes the important consideration is to develop a responsive and efficient system to develop affordable housing in this City, not to further enlarge staff in one agency or another. The

present system, thanks to the Agency's excellent staff and the excellent staff in the Mayor's Office is working very well.

Mr. Helfeld noted that the meeting was held at the request of the Mayor, but that the recommendation was by the Steering Committee for the Strategic Plan that includes Commissioners Kitahata, Bolanos and Stern, Kent Sims from the Mayor's Office, Supervisor Willie Kennedy, Sidney Unobskey, President of the City Planning Commission. The basic notion that seems to have been discussed with the Steering Committee is that the Mayor's Office is responsible for policy, the Planning Commission should focus on the Master Plan and that the Redevelopment Agency is seen as an implementation arm of City government. The Committee came to the notion that while the system is working very well right now there probably is not any significant savings, because both staffs are working very hard, and with the theory of policy, planning and implementation, then the transfer of those positions over here made some sense. This is just discussion at this point.

Mr. Kitahata indicated that this had been discussed with the Steering Committee, but no recommendation had been made.

Mr. Helfeld indicated that he stands corrected.

Ms. Bolanos indicated that she had not been at the meeting, but as a member of the Committee, Mr. Kitahata is correct, the Committee had not made a decision. They are looking at the pros and cons and still expecting public input. It was the Mayor who called the meeting, so rest assured that the Committee has not avoided the process.

Ms. Ong indicated she had attended the meeting in Ms. Bolanos' place and it appeared the Committee was trying to respond to a letter dated April 28 from the Mayor, which presents the Mayor's position.

Mr. Helfeld requested that two items be added to the Closed Session agenda. The first item is pursuant to Government Code Section 54056.8 to instruct the Agency's real property negotiator. The property is located on the north side of Mission between Third and Fourth Streets in Yerba Buena Center and the entity the Agency may negotiate with is the Mexican Museum.

MOTION: IT WAS MOVED BY MR. STERN THAT THE ITEM BE ADDED TO THE CLOSED SESSION AGENDA AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Bagot
Mr. Kitahata
Mr. Stern
Ms. Ong

AND THE FOLLOWING VOTED "NAY":

Mr. Hom
Mr. King

AND THE FOLLOWING ABSTAINED:

None

THE ACTING PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

Mr. Helfeld indicated that the second item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the southeast corner of Third and Howard Streets in Yerba Buena Center and the entity the Agency may negotiate with is the Jewish Museum.

MOTION: IT WAS MOVED BY MS. BOLANOS THAT THE ITEM BE ADDED TO THE CLOSED SESSION AGENDA AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Bagot
Ms. Bolanos
Mr. Kitahata
Ms. Ong

AAND THE FOLLOWING VOTED "NAY":

Mr. Hom
Mr. King

AND THE FOLLOWING ABSTAINED:

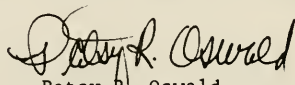
None

THE ACTING PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations and Personnel. The meeting adjourned at 4:40 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

August 3, 1993

SF
R35
#4
5/11/93

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
11TH DAY OF MAY, 1993

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 11th day of May, 1993, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Buck Bagot
Leroy King
Gary Kitahata

and the following were absent:

Sonia Bolanos
Clarence R. Stern (Arrived 4:12 p.m.)

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Jon Henry Kouba; Glenn Mast sai, GKM & Associates, Inc.; David Mischel, 1600 Block Sutter, SAFE; Arturo Carrillo, Walden House, Inc.; Ned Topham, Leslie Miko, David Dial and Bill Osterhaus, Center for the Arts; Karen Carr, Museum Parc; and Anita Hill, Yerba Buena Gardens Marketing Alliance.

NEW BUSINESS - CONSENT AGENDA

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Adopting regulations implementing the requirements of the California Relocation Assistance Act, Agency-wide; All Project Areas.
- (b) Authorizing a Predevelopment Loan Agreement, not to exceed \$75,000 with Walden House, Inc., for the development of a residential treatment facility and sober housing for substance abusers, as part of the Citywide Tax Increment Housing Program.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) AND (b), RESOLUTION NUMBERS 78-93 AND 79-93, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) Public Hearing to hear all persons interested in a Land Disposition Agreement with 1694 Sutter Street Associates for the parcel located at the northeasterly corner of Sutter and Laguna Streets; Western Addition A-2.

Acting President Ong opened the Public Hearing to hear all persons interested in this matter.

Philip Westergaard, Real Estate Development Specialist, introduced item (c), which requests authorization of a Land Disposition Agreement (LDA) with 1694 Sutter Street Associates, a joint venture composed of GKM & Associates, Inc. and Masami Dobashi, for the purchase and development of the parcel located at 1694 Sutter Street in the Western Addition A-2. The developers propose to construct six market rate condominium units. Mr. Dobashi, a Western Addition business owner, holds a Certificate of Preference for development properties in the A-2 area. As provided in the LDA, Mr. Dohashi has agreed to relocate his business, Yamato Garage, located at the southeast corner of Buchanan and Laguna Streets, by the end of the year.

In response to an inquiry from Ms. Ong, Mr. Helfeld indicated that it is the Agency's obligation to remove the building so that the developer has a cleared site. Unfortunately, the high cost of demolition is due to the asbestos removal.

Mr. Stern arrived at this time, 4:12 p.m.

In response to an inquiry from Ms. Ong regarding appraisals, Mr. Westergaard indicated that the value is established with comparable sales in the Western Addition.

There being no persons wishing to appear in connection with this matter, the Acting President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 80-93 BE ADOPTED.

- (d) William Nakamura, Chief, Engineering and Rehabilitation, introduced item (d), which requests authorization to advertise a contract for the demolition and site clearance of the building (1694-96 Sutter Street) at the northeast corner of Sutter and Laguna Streets and the storage structure in the parking lot at the northwest corner of Van Ness Avenue and Myrtle Street in the Western Addition A-2. The upper floors of the structure have been vacant for several years and the building is regularly broken into by trespassers. Staff has had to respond to numerous complaints regarding security, noise and fire safety. The small structure in the parking lot has also been vacant for years and is constantly being broken into and occupied by trespassers. Rehabilitation of these buildings is unfeasible and their demolition will relieve the Agency of the serious liability associated with these vacant buildings. Estimates of demolition

for both structures total \$104,000. A more refined estimate will be prepared prior to advertising the contracts.

David Mischel, representing 20-30 families who live in the 1600 block of Sutter Strteet, noted their concerns about this abandoned building and urged adoption of the demolition contract.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 81-93 BE ADOPTED.

- (e) Public Hearing to hear all persons interested in Purchase Agreements for the sale of the condominium units located at 138 and 140 Jerrold Avenue; Hunters Point.

Acting President Ong opened the Public Hearing to hear all persons interested in this matter.

William Rumpf, Chief, Housing Production and Management, introduced item (e), which requests authorization of execution of deeds and other conveyance instruments in connection with the sale of the Morgan Heights properties at 138 and 140 Jerrold Avenue to buyer Kim T. Darakhan and buyers Nkemdirum and Chika Ugbaja respectively, with the intent that the sale of these units will be to qualified low and moderate income households, subject to long-term affordability restrictions.

In response to an inquiry from Mr. Bagot, Mr. Rumpf indicated that notices had been sent to all the people that the San Francisco Housing Development Corporation has been working with in Hunters Point and about half the names that they have are from zip code area 94124. Buyers have been two-thirds African American and approximately one-third Asian for that development.

There being no persons wishing to appear in connection with this matter, the Acting President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 82-93 BE ADOPTED.

- (f) Michael Kaplan, Project Coordinator, Rincon Point-South Beach, introduced item (f), which requests approval of the Offering for lease space within the Pier 38 Bulkhead Building for development of a cafe and office in connection with Rincon Point-South Beach. Staff determined it would be appropriate to offer the space publicly in order to obtain the most qualified cafe operator. It is hoped to obtain proposals from qualified minority and woman-owned cafe operators and advertising will indicate the Agency's desire in that regard.

In response to an inquiry from Mr. King, Mr. Kaplan indicated that he received the list from the Agency's Affirmative Action Officer for mailing of the offering.

A discussion ensued between the Commissioners and staff regarding whether there should be local preference for San Francisco-based businesses.

Mr. Kitahata indicated that would be a policy decision that he did not want to take at this time and he believed it should be done as an overall comprehensive policy.

Mr. Stern indicated he would like the Request for Proposals (RFP) to state that San Francisco firms and women/minority firms would have a preference of five points.

Mr. Helfeld indicated that it would be difficult to fashion a point system at this time, however, it could be stated in the RFP that preference will be given to San Francisco firms and then see what proposals are received.

MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT THE RFP STIPULATE THAT SAN FRANCISCO-BASED FIRMS WILL BE GIVEN PREFERENCE.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 83-93 BE ADOPTED.

- (g) Helen Sause, Project Director, Yerba Buena Center, introduced item (g), which requests authorization of the issuance of a Request for Proposals (RFP) for obtaining a contractor for the maintenance, security and operations of the Gardens on Central Block 2 in Yerba Buena Center.
- (h) Helen Sause, Project Director, Yerba Buena Center, introduced item (h), which requests authorizations to negotiate with the Center for the Arts for programming of the Gardens' performance and events on Central Block 2 in Yerba Buena Center.
- (i) Helen Sause, Project Director, Yerba Buena Center, introduced item (i), which requests authorization for staff to organize a Yerba Buena Gardens' Policy Advisory Group representing major area actors like the Moscone Convention Center, senior and market-rate housing associations, the Marketing Alliance and Yerba Buena's various cultural organizations to advise the Agency on Gardens operations and programming.

The Gardens on Central Block 2 (CB-2) comprise approximately six acres of urban open space designed for intensive use for performances, outdoor recreation and simple enjoyment of a natural setting in the heart of downtown San Francisco. To fulfill their long-awaited promise, the Gardens will require careful maintenance of landscape and hardscape elements, regular janitorial attention, round-the-clock security, and overall professional management. Active, professional programming of outdoor performances and events is also essential to enliven the space and draw people to it. In addition, the management use of the Gardens require a means of continued coordination with and participation of the major surrounding uses, businesses and

residents. To address these needs prior to the Gardens' scheduled opening in October, staff requests approval of the above-mentioned authorizations. The agreements arising out of these authorizations would be brought back to the Commission for separate consideration when they are finalized. Although these agreements may be expected to be modified over time, they are recommended as essential first steps towards establishing a first-class level of care and programming for the Gardens.

William Carney, Senior Staff Landscape Architect, noted the details of the draft RFP and indicated comments were welcome. The RFP will also be reviewed next week by the Advisory Committee.

David Madway, Agency General Counsel, stated that he was required by law to recite the following for the record: Ms. Ong and Ms. Bolanos sit not only as Commissioners of this Agency, but also as members of the Board of the Center for the Arts. One of the agenda items could conceivably lead to a contract with the Center for the Arts and the Agency. Section 1020 of the Government Code prevents an officer of an agency, such as a Commissioner of this Agency, from acting in respect to a contract in which he or she has an interest. As a matter of law, an Agency Commissioner, who also serves on the Board of the Center for the Arts has "an interest" in any contract to which both entities are parties. There is, however, a statutory exception to this prohibition against having "an interest". This particular situation -- where two Commissioners sit on the Board of the Center -- fits within that narrow exception, which is found in Section 1091.5(a)(8) of the Government Code. It provides that a person who sits as an Agency Commissioner is not "interested" in a contract if that person sits as a non-compensated officer of a non-profit tax-exempt corporation which has as one of its primary purposes the support of the functions of this Agency. In my view, the Center's operation of the cultural facilities, which supports the activities of this Agency, together with the Agency's particular legal obligations to that non-profit organization, justify application of the Government Code 1091.5(a)(8) exception to permit the two Commissioners to act.

Ms. Ong requested that the final RFP be sent to the Commissioners before it is issued to the public.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT THE COMMISSION RECEIVE THE REQUEST FOR PROPOSALS (RFP) BEFORE IT IS ISSUED TO THE PUBLIC.

Ms. Ong indicated that besides the M/WBE requirements in the RFP she would like to see some kind of provision for the South of Market residents so either a non-profit group or community organization would have an opportunity to joint venture for some of the very large contracts. She noted that she would like certain preference given to contractors who bring in a non-profit or neighborhood group.

Mr. Carney indicated that it is part of the standard construction contracts and will be included in the RFP.

Mr. Helfeld indicated that the Agency had such a preference in the Fillmore Center contract and it worked very well, so the same language could be included in this RFP.

Mr. Hom left the meeting at this time, 5:05 p.m.

The following persons spoke in support of items (g), (h) and (i): Ned Topham, President of the Board of Directors, Center for the Arts; and Karen Carr, General Manager, Museum Parc and South of Market Neighborhood Association.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT ITEM (g), RESOLUTION NO. 84-93, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT ITEM (h), RESOLUTION NO. 85-93, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT ITEM (i), RESOLUTION NO. 86-93, BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The appointment of Jon Henry Kouba to the Agency Commission was approved by the Board of Supervisors and he will be sworn in on May 12.
- (b) Discussions have been taking place regarding economic development loan programs between Larry Del Carlo, Mayor's Office of Community Development (MOCD) and Kent Sims, Mayor's Office of Economic Planning and Development (MOEPD) and the Agency. It was felt logical that MOCD would handle the loan program generally. However, it would make sense for the Redevelopment Agency to keep the loan programs in redevelopment areas, such as the Western Addition and the South of Market. It might be more logical that MOCD handle the loans programs in Chinatown, 24th Street, etc.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Ms. Ong indicated that she wanted to make it clear to the public that the Commission intends to have a full public hearings on matters such as Zero Coupon Bonds, the Jewish Museum, the Mexican Museum, Land Use and Requests for Proposals for parcels in Verba Buena Center. Those public hearings will be scheduled in the near future.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

- (c) Regarding the amendment to the resolution that authorizes the Executive Director to seek bond financing for the Children's Facilities on Central Block 3, the amendment requests to add the Mexican Museum and the Jewish Museum to this resolution, but the Commissioners continued this item. Under the Director's authority, unless the Commissioners wish to act differently, he can request the Supervisors to introduce the legislation regarding the Children's Facilities in order to keep it moving. Later the Commission could add the Mexican Museum and the Jewish Museum.

Mr. Kitahata indicated that if the Museums are added they should be done at the time of the Land Disposition Agreement approval. He felt strongly that the Agency should proceed with the Children's Facilities and add the Museums later.

It was the consensus of the Commission that Mr. Helfeld proceed with getting legislation introduced at the Board of Supervisors to seek bond financing for the development of the Children's Facilities as authorized in Resolution No. 20-93 and that the Mexican Museum and Jewish Museum may be added at a later date.

COMMISSIONERS QUESTIONS' AND MATTERS (Continued)

- (b) At Ms. Ong's request, Commissioner designate Jon Henry Kouba read Buck Bagot's commendation resolution into the record.

Mr. Bagot noted that there is nothing in the resolution about his artistic and architectural judgment. However, he indicated it has been an honor to serve on the Commission and he appreciated how hard it is for staff to do their job.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Redmond Kernan, representing Hampshire Properties, Inc., indicated he would like the Agency to work with Hampshire Properties to build a hotel, which when built would assist the Agency in funding arts programs in Yerba Buena Center.

Ms. Ong announced that there would be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and the entities the Agency may negotiate with are:

San Francisco Naval Shipyard with the United States Navy; and

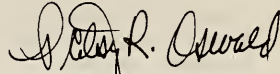
northwest corner of Eddy and Webster Streets in the Western Addition A-2 with Fillmore Market Place Associates.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. Stern, seconded by Mr. King, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations and Personnel. The meeting adjourned at 5:55 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Patsy R. Oswald
Agency Secretary

APPROVED

August 3, 1993

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MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
19TH DAY OF MAY, 1993

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a Special Meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 19th day of May, 1993, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Sonia S. Bolanos
Ben L. Hom
Leroy King
Jon Henry Kouba
Clarence R. Stern

and the following was absent:

Gary Kitahata

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Representing the press was: Gerald Adams, San Francisco Examiner.

Ms. Ong introduced newly appointed Commissioner, Jon Henry Kouba.

Also present were: Lilia Aguilero, Consulate of Mexico; Al Borvice; Marie Acosta-Colon, Mexican Museum; Jeff Jones, Arts Democratic Club; Jesus Orosco, member, Board of Trustees, Mexican Museum; Ricardo Noguera, MEDA; Sylvia R. Ramirez, La Raza Information Center; Edith Silvas, Intern with the Mexican Museum; Peter Vigil, Mission Cultural Center; Harry O'Brien, Jewish Museum; Jim Morales, member, Mexican Museum Board of Directors; Rene Yanez, Artist and Curator; Enrique Chagoya, Cal State University Professor; Juanita Quintero, Institute Familiar De La Raza; Victor Zaballa, Artist; Alma Robinson, California Lawyers for the Arts; Janeen Antoine, American Indian Contemporary Arts; Patricia Montgomery, Artist; Jonathan Yorba; Gerardo Navarro, Artist; Maria Padilla; Commissioner Rosa Rivera, Commission on the Status of Women; Lorraine Garcia-Nakata; Dwight Kinnard, P & K Trucking; Sonia Milaro; Lilia Viloaneva; Amy Schoenborn and Gary Dexter, Mexican Museum; Alfred Williams, Juneteenth Festival; and Juliana Mojica.

NEW BUSINESS

- (i) Helen Sause, Project Director, Yerba Buena Center, introduced item (i), which requests authorization to amend Resolution No. 20-93 and authorization to seek bond financing for development of the Children's Facilities on Central Block 3 (CB-3) and the

Mexican Museum in a series of bond issues in connection with Yerba Buena Center. Following evaluation of alternative financing mechanisms for the Children's facilities on CB-3, it was concluded that a zero coupon bond mechanism was the most feasible approach. The bonds would be repaid from hotel tax revenues that are currently being used to pay the original Moscone Center bonds, which will be paid off in the year 2000. Use of these revenues would not affect any hotel tax funding now being used for specified purposes and would not change the amount of the hotel tax. While this method of financing was being discussed, consideration was given to including financing in the bond issue for a portion of the Mexican and Jewish Museums which will provide additional public benefit for the area and these requests were carefully evaluated against the potential availability of sufficient funds and the public support that could be available for such a bond issue. Based on further evaluation, it is now recommended that the proposed use of zero coupon bonds be limited to the Children's facilities and the Mexican Museum which are users the Agency is committed to in Yerba Buena Center. Although the Jewish Museum would be an exciting addition to YBC, the use has not been agreed upon as a project component and it is not proposed at this time to include the Museum in the zero bond coupon financing.

Ms. Ong inquired whether the Memorandum of Understanding between the Agency and the Mexican Museum discusses the possibility of the Agency providing financial assistance to the Museum. Ms. Sause indicated affirmatively and noted that the Museum had indicated they would need support in raising additional funds. Since there was concern regarding protecting the Agency's program, it was agreed any funding to assist the Museum in their construction program would be from funding sources that did not compete.

In response to an inquiry from Mr. Kouba, Ms. Sause indicated that there will be an opportunity in the future for the Jewish Museum to participate in the zero coupon bonds if the Commission agrees and they are not being excluded just because the Agency is going forward with the Children's facilities and the Mexican Museum.

Ms. Bolanos noted that no decisions have been made regarding the Jewish Museum because a Land Disposition Agreement is not in place and that is the point of distinction.

The following persons spoke in support of item (i): Lilia Aguilero, Consulate of Mexico; Al Borvice; Marie Acosta-Colon, Mexican Museum; Jeff Jones, Arts Democratic Club; Jesus Orosco, member, Board of Trustees, Mexican Museum; Ricardo Noguera, MEDA; Sylvia R. Ramirez, La Raza Information Center; Edith Silvas, Intern with the Mexican Museum; Peter Vigil, Mission Cultural Center; Harry O'Brien, Jewish Museum; Jim Moralas, member, Mexican Museum Board of Directors; Rene Yanez, Artist and Curator; Enrique Chagoya, Cal State University Professor; Juanita Quintero, Institute Familiar De la Raza; Victor Zaballa, Artist;

Alama Robinson, California Lawyers for the Arts; Janeen Antoine, American Indian Contemporary Arts; Patricia Montgomery, Artist; Jonathan Yorba; Gerardo Navarro, Artist; Maria Padilla; Commissioner Rosa Rivera, Commission on the Status of Women; Lorraine Garcia-Nakata; Dwight Kinnard, P & K Trucking; and Sonia Milaro.

Mr. Hom left the meeting at 4:55 p.m. during the speaker presentations.

The speakers expressed appreciation to the Agency for its support of the Mexican Museum and noted their enthusiasm for the project.

Mr. O'Brien, representing the Jewish Museum, noted his support of item (i) and indicated the Jewish Museum hopes to get Agency support shortly in relocating to Yerba Buena Center.

Ms. Bolanos noted her support for the Children's Center and the Mexican Museum, which will not only enhance the cultural flavor of the City, but be good for business as well. This will provide an opportunity for children to experience their own cultures.

Mr. Stern indicated his support of this item because it will strengthen ties to Mexico and provide cultural diversity for the City.

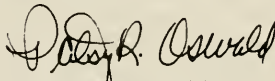
Mr. Kouba noted that having lived in Mexico he appreciates its rich culture and the Museum will be an enhancement for San Francisco.

ADOPTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 87-93 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:15 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

August 3, 1993

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MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
19th DAY OF MAY, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a Special Meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 5:35 o'clock p.m. on the 19th day of May, 1993, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Sonia S. Bolanos
Leroy King
Jon Henry Kouba
Clarence R. Stern

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and the following were absent:

Ben L. Hom
Gary Kitahata

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Representing the press were: Gerald Adams, San Francisco Examiner; and John King, San Francisco Chronicle.

NEW BUSINESS

- (i) Executive Director Edward Helfeld read the following statement into the record: On May 18, 1993, the Redevelopment Agency was unexpectedly informed by the Mayor's Office that it must reduce its staff in the next several weeks by 40 percent. For the past several months, we have been working with the Mayor's budget staff on a course to reduce redevelopment funding by \$20 million (out of \$45 million) and to reduce staff by 20 percent. But 40 percent -- 40 positions out of the agency's current 100 -- is much more difficult. It would certainly slow down our ability to respond effectively to the needs of the community. These are tough times in San Francisco. But the case can be made that things could be a lot tougher were it not for redevelopment. Last year, nine out of the ten largest building developments in San Francisco were in redevelopment areas -- housing in the Western Addition and South Beach, and convention facilities, theaters, museums and parks in Yerba Buena Center. Those nine investments alone totalled more than \$500 million worth of work and the story is just about the same in 1993. Redevelopment, indeed, is a significant investment in the well-being of San Francisco --- an investment that is returned to the city in payroll taxes resulting from the thousands of construction and

new permanent jobs, in hotel and sales taxes, and new property tax revenues. In other words, redevelopment is one of the few agencies of government that, in effect, makes money for San Francisco. Finally, in accord with customary procedures, I am now seeking the policy direction of the Commission of the San Francisco Redevelopment Agency.

Ms. Bolanos inquired as to the rationale for cutting 40 percent as opposed to other City departments and Mr. Helfeld indicated that unlike other City departments the Agency is getting additional funding from the City's General Fund and so the Mayor's Budget Office believes Agency staff should be cut to a greater degree. The Budget Office has indicated the Agency should move in the direction of reducing staff and further adjustments can be made later in accordance with the results of the Strategic Planning process.

Ms. Bolanos indicated that as a member of the Strategic Planning Committee she did not believe the Strategic Plan contemplated such a drastic reduction in staff and inquired if the 40 percent reduction has to be accepted.

Mr. Helfeld indicated that he and Mr. Gamble had made all the arguments possible at staff level and he believed it would be appropriate for the Commissioners to meet with the Mayor and his budget staff to present their views.

Commissioners Ong and Bolanos noted their concern that all Commissioners had not been informed of the proposed staff reductions more expeditiously and that an all staff meeting had been held to which the Commissioners were not invited.

Mr. Helfeld indicated that it had been considered appropriate to inform staff of the directive received from the Mayor's Office in order to apprise them of options with regard to retirement and the possibility of the contracting out certain positions. Since a Commission meeting was scheduled for 4:00 p.m. on May 19, he felt it would be in order to notify the Commissioners at that time.

Mr. King indicated that there is a need to know what the mission of the Agency is before staff reductions can be made. If there are to be staff reductions then there must be equality and cuts not made only from the lower classifications but also from the higher level classifications.

In response to an inquiry from Mr. Kouba, Robert Gamble, Deputy Executive Director, Finance, indicated that the Agency operates under an Indebtedness Limited Agreement with the City which stipulates the amount of tax increment funds that can be drawn from the City and each year the document is modified depending upon the amount of tax increment funds that the Agency agrees with the Mayor's Office shall be drawn. That document is specific only as to the total amount of tax increment funds drawn which was agreed to some time ago, however, that is not an

issue. The Mayor's Office has the leverage that if the budget does not conform to their wishes then they can simply refuse to sign the contract which would mean the Agency cannot issue any new debt at all and have no source of funds.

Mr. Stern indicated that the Mayor should be advised that if certain projects are to be carried out by the Agency, which is the development arm of the City, and tax revenue is to be increased, then the 40 percent cut is unacceptable.

Mr. Kouba suggested that three Commissioners and Executive staff be designated to work out a response for the Commission as a united front and then negotiate with the Mayor's Office.

MOTION: IT WAS MOVED BY MR. BOLANOS, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT THE COMMISSION TAKE THE POSITION THAT AN ADDITIONAL TWENTY POSITIONS NOT BE CUT AND ONCE AGAIN REQUEST THAT THE MAYOR SUPPORT THE STRATEGIC PLANNING PROCESS THAT THE COMMISSIONERS HAVE ON TWO OCCASIONS ASKED HIM TO SUPPORT AND HE HAS INDEED SUPPORTED. THAT HIS OFFICE BE CONSISTENT WITH THE STRATEGIC PLANNING PROCESS AND THAT ANY STAFF CONSIDERATIONS BE DEFERRED UNTIL THERE IS AN IMPLEMENTATION PLAN AND AN AGENCY RESTRUCTURING. IN ADDITION, ANY CHANGES FROM THE MAYOR'S OFFICE TO REDEVELOPMENT WOULD ALSO BE SEEN IN THE CONTEXT OF THE STRATEGIC PLAN. OTHERWISE ANY MOVES EITHER FROM THE HOUSING STAFF OR ECONOMIC DEVELOPMENT STAFF AND ANY FURTHER REDUCTIONS OF AGENCY STAFF IS NOT APPROPRIATE.

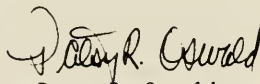
David Madway, Agency General Counsel, indicated that a motion on the matter is appropriate since it simply recommends that the Mayor take a position with respect to the budget.

Mr. King suggested the Commissioners on the Strategic Planning Committee attend the meeting with the Mayor.

ADJOURNMENT

It was moved by Mr. Kouba, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:20 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

August 17, 1993

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// MINUTES OF A SPECIAL MEETING OF THE
// REDEVELOPMENT AGENCY OF THE CITY AND
// COUNTY OF SAN FRANCISCO HELD ON THE
24TH DAY OF MAY, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a Special Meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 24th day of May, 1993, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Sonia S. Bolanos
Jon Henry Kouba
Clarence R. Stern

and the following were absent:

Ben L. Hom
Leroy King
Gary Kitahata

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Aurua Luis, representing Samuel Murray, People's Earthday Coalition; Frank Martin Del Campo, representing United Public Employees Local 790; Elena Branick, Senior Architect and representing the International Federation of Professional and Technical Engineers, Local 21; Gina Solis, Executive Secretary III; Bettye Webb, Senior Community Services Representative; Maria Gonzales, Secretary II; Freda Williams, Secretary II; Morris Phillips, Housing Associates, Inc.; M.J. Buffington, Executive Secretary I; and Saifel Abedin, Architectural Associate.

Representing the press was: Gerald Adams, San Francisco Examiner.

NEW BUSINESS

- (i) Mr. Helfeld introduced item (i), the purpose of which is for discussion and action on the Agency's 1993-94 budget. As part of the budget reductions undertaken by the Mayor's Office, the Mayor's Office mandated on May 18 that the Agency must reduce forty positions from its current staffing level. Three Commissioners met with Mayor Jordan on May 21 to request reconsideration of the mandate, however, the Mayor did not agree to a significant change in the number of staff reductions. Therefore, in accordance with the Mayor's instructions, and in consultation with Commissioners Bolanos, Kouba and Stern, staff has prepared a plan for reduction of staff and reorganization of existing staff in an attempt to meet workload demands. It should be emphasized that these changes are undertaken at the direction

of the Mayor's Office and actions of the Commission and staff recommendations are advisory only to that office. Under the proposed plan several consolidations are proposed: the engineering, planning and architecture division would be consolidated into a single technical services division; the real estate, housing and economic development divisions would be consolidated into a single development services division; all of the South of Market project areas would be consolidated under a single project manager; and the finance, administration and community services divisions would be consolidated into a support services division. The Commissioners have been provided with a copy of the proposed plan, a letter from Local 790 and letters from a number of Agency employees. Staff will be recommending to the Commission that: there be maximum use of all available retirement benefits; severance pay be provided in accordance with the Agency's personnel policy; and out-placement services be provided for those employees laid off.

James Nybakken, Administrative Services Officer, described the incentives it is proposed to provide for staff who are laid off, which include a retirement benefit of a two year service credit option. He noted that there are two other possibilities for retirement incentives, one of which is a current option available under the Public Employees Retirement System (PERS) and that is known as 2 percent at age 55, which is a benefit option for younger employees between the ages of 50-60. The present level is 2 percent at age 60. Staff has requested PERS to prepare an actuarial valuation on that because it is required, which will take several weeks and at that point staff would propose to bring that to the Commission for consideration. The other retirement incentive possibility is what the State legislation has in process which would permit an increase from two to four years additional service credit and it is anticipated that this may be placed by the end of June.

Mr. Kouba noted that the Commissioners who attended the May 21 meeting with the Mayor were informed that because the State is taking resources from the City there is an unprecedented financial crisis and a letter from San Francisco General Hospital indicates that there will be a loss of life because of lack of services. The Commissioners pointed out that because the budget funding request had been met it was believed there should be more flexibility with staff, however, this approach was rejected. The Commissioners suggested waiting for completion of the Agency's Strategic Plan, but it was indicated there is a need to cut immediately.

Mr. Stern indicated that there was interest from Mayor's Office staff when it was indicated that the Agency generates tax revenues. He requested a memorandum be written focusing on this issue so the Commissioners would have information in writing to take back to the Mayor's Office and Mr. Helfeld indicated that staff would prepare a memorandum to this effect.

Ms. Bolanos indicated that the meeting with the Mayor had been very difficult and she would recommend a comprehensive approach on what the Agency has been able to deliver during the past year in terms of quantifiable products that benefit the City which has perhaps not been made clear to the Mayor's Office.

In response to an inquiry from Ms. Ong, Robert Gamble, Deputy Executive Director, Finance, indicated that it is believed there would be layoffs effective July 1, however, some would occur later.

Ms. Ong indicated that there is a need for further study of the plan recommended by staff and to return to the Mayor's Office with information on revenues and to request additional time on the layoffs in view of the retirement incentives. She further noted that if the individuals under contract with the Agency could be considered as employees, this could provide an ability to retain staff because there would be an additional savings.

Mr. Gamble indicated that it is not clear whether credit would be given for consultants and it was his understanding that the monetary aspect is irrelevant and basically the Mayor's Office wants a staff reduction.

Ms. Ong requested the Commissioners be provided with information on the dollar amounts of individuals contracting with the Agency over the past three years, which Mr. Nybakken indicated would be provided.

The following persons regarding item (i): Frank Martin Del Campo, representing United Public Employees Local 790; Elena Branick, Senior Architect and representing the International Federation of Professional and Technical Engineers, Local 21; Gina Solis, Executive Secretary III; Bettye Webb, Senior Community Services Representative; Maria Gonzales, Secretary II; Freda Williams, Secretary II; Morris Phillips; Housing Associates, Inc.; M.J. Buffington, Executive Secretary I; and Saifel Abedin, Architectural Associate.

Mr. Del Campo expressed appreciation to the Commissioners for the efforts undertaken on behalf of the Agency employees. He noted that there is concern regarding the plan proposed by staff because there is a lack of well thought out planning and input by employees prior to decisions being made. It adversely affects 58 percent clerical, 73 percent women and 80 percent minorities and there is not equality of sacrifice because salaries of higher level staff are being protected. There is also concern that layoffs are in process while hiring continues. The Union supports the Commission's view that decisions on staffing should be deferred until completion of the Strategic Plan.

Ms. Bolanos indicated that the Commissioners were under the impression there would be equality and she would like to examine the statistics.

Ms. Ong noted that Commissioner King specifically urged that clerical staff not be cut.

Ms. Branick noted that there are many unknown variables and requested the Commission reconsider the plan and meet with Local 21 representatives so more equitable actions can be taken. She noted her personal concern that it is planned to layoff two architects.

In response to an inquiry from Ms. Ong, Ms. Branick indicated she had been informed of her impending layoff today.

Commissioners Ong and Bolanos noted their concern that staff had been informed of impending layoffs without Commission authority and the Commission may want to make changes to staff's proposal.

Mr. Helfeld indicated that in light of the mandate for drastic reductions there was a necessity to come up with specific recommendations. In the interim, two all staff meetings had been held and a full day spent meeting with division heads.

In response to an inquiry from Mr. Stern, Mr. Helfeld indicated that it is recommended all employees that are demoted be Y-rated.

Ms. Solis read a letter from Agency employees into the record dated May 24, 1993 requesting Commission support in communicating to the Board of Supervisors the necessity to delay the proposed reorganization and drastic staffing cuts.

Ms. Webb noted that over her 24 year tenure with the Agency she had worked herself up from being a telephone operator to Senior Community Services Representative and she has now been informed her function is no longer necessary to the Agency.

Mr. Helfeld noted that the Community Services Department is one it is proposed to contract out.

Ms. Gonzales noted her concern that while layoffs are in process there are still plans to fill the vacant position of Financial Operations Manager.

In response to an inquiry from Ms. Bolanos, Mr. Gamble indicated that the position of Financial Operations Manager is critical for producing the Agency's audit.

Ms. Williams noted her concern that she had been informed she would be transferred because the Rincon Point-South Beach Project is ending, but she felt the project should be kept and the same staff members who work as a team should remain in place.

Mr. Phillips noted his concern regarding the 40 percent staff cut and indicated he would assist in organizing the communities to intervene on behalf of the Agency.

Ms. Buffington noted that her supervisor, Project Director for Yerba Buena Center, has been requested to also undertake the Rincon Point-South Beach and South of Market projects with only one secretary. She noted that the secretarial position in Yerba Buena Center is multifaceted and requires expertise in interfacing with staff, the community and City officials. It is therefore difficult to comprehend how one secretary could handle the work for the three projects. She noted that she had been informed she would be laid off due to the budget process and urged the Commissioners to continue their efforts.

Mr. Abedin noted his concern that he had been informed of his impending layoff after fifteen years of service.

Mr. Helfeld indicated that because of the workload in redevelopment projects, two architects cannot be justified.

In response to an inquiry regarding input from project management staff and division chiefs, Mr. Helfeld indicated that project management staff for Yerba Buena Center and Rincon Point-South Beach/South of Market had raised legitimate concerns on the ability to provide services and outreach to the communities. His response was that obviously the same level of service cannot be maintained, however, this is seen as an interim reorganization and the Strategic Plan will determine how the Agency should be structured to carry out its mission.

Ms. Bolanos noted her opposition to the consolidation of departments and that she would like information on how the proposed staff cuts will affect the projects. She noted her concern regarding staff recommendation and indicated there is a need to arrive at a consensus on a strategy and plan because it is no use going to the Mayor's Office unless there is substantive justification.

Ms. Ong indicated there is a need to argue strongly against contracting out, which is not the way employees should be treated, and the need to retain staff on projects.

Following further extensive discussion, it was the consensus of the Commission that in order to further negotiate with the Mayor's Office, information be provided on: tax revenues generated by the Agency; justification for project management staff; and why contracting out is not considered reasonable.

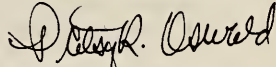
The Commissioners noted their opposition to current employees being laid off and contracted out.

Minutes of a Special Meeting, May 24, 1993

ADJOURNMENT

It was moved by Ms. Bolanos, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:20 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald
Agency Secretary

APPROVED

August 3, 1993

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
25TH DAY OF MAY, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 25th day of May, 1993, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

- Cynthia Choy Ong, Acting President
- Sonia S. Bolanos
- Ben L. Hom
- Leroy King
- Jon Henry Kouba
- Clarence R. Stern

and the following was absent:

Gary Kitahata

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Juanita Williams, President, United Public Employees Local 790; Linda Jofuku and Jo Anne Lawrence, representing the International Federation of Professional and Technical Engineers Local 21; Frank Martin Del Campo representing Local 790; Bob Davis; Jeff Roth, Owner, Focused Radio, and members Natoma Neighborhood Association/South of Market Problem Solving Council; Michele Bard; Kwang Sun Kim and Hyun Bae Kim, Northern California Musical and Art Cultural Center; and Eugene Sim, Korean-American Professional Society.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Hom, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meetings of April 6 and 13, 1993, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS - CONSENT AGENDA

Mr. Kouba noted his conflict of interest with respect to Consent Agenda item (b) because he is a member of the Board of Directors of Fresh Start Farms, although he does not receive remuneration for serving on the Board.

David Madway, Agency General Counsel, indicated that in view of Mr. Kouba's recusal on item (b), Consent Agenda items (a) and (b) should

be voted on separately and neither item should be voted on as Consent Agenda items.

NEW BUSINESS - REGULAR AGENDA

Ms. Ong indicated that item (a) would be considered later at the meeting because there are members of the Korean community that wish to comment on this item, but have not yet arrived.

- (b) Mr. Helfeld introduced item (b), which requests authorization of an Agreement with Fresh Start Farms permitting use of Agency-owned property located at the northeast corner of Divisadero and Ellis Streets for a community garden; Western Addition A-2.

Mr. Kouba introduced Ruth Brinker of Fresh Start Farms.

ADOPTION: IT WAS MOVED BY MR. HOM, SECONDED BY MR. STERN, WITH MR. KOUBA ABSTAINING, AND CARRIED THAT RESOLUTION NO. 89-93 BE ADOPTED.

- (c) Michael Kaplan, Project Coordinator, Rincon Point-South Beach, introduced item (c), which requests authorization to issue a Request for Qualifications (RFQ) for the purchase and development of Site F-1 located at the southwest corner of First and Brannan Streets in Rincon Point-South Beach. No responses were received to a public offering of the site in July 1990 for a minimum bid of \$1 million due to the poor real estate market with respect to financing and the physical difficulties of this particular site. Staff has responded to inquiries about the site and investigated the possibility of developing it in conjunction with the adjacent privately-owned site. Although a recently received unsolicited proposal to develop 24 units on the site appears worthy of consideration, given the time lapse since the site was last offered, it is believed appropriate to issue an RFQ to evaluate the extent of interest from other developers. The site is approximately 8,000 square feet in area with its most distinctive characteristic being its steepness, with a change in elevation within the parcel of 30+ feet. This aspect of the site presents significantly higher than normal substructure costs while offering the potential for spectacular bay views from the upper levels of any development on the site. Given the high cost of developing the site and the current real estate market, staff believes that a more realistic value would be \$500,000, however, it is recommended that the site be offered on a negotiated price basis rather than establishing a minimum bid so that the actual costs associated with developing this difficult site can be taken into consideration. To achieve a feasible development may require a variance to the Redevelopment Plan since the Plan provides for residential lot coverage of no more than 65 percent in this area.

Mr. King requested this item be continued until the Commissioners have had an opportunity review the RFQ.

RULE OF THE CHAIR: ACTING PRESIDENT ONG INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (c), RESOLUTION NO. 90-93, WOULD BE CONTINUED. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (d) Mr. Helfeld introduced item (d), which requests approval of staff reduction for the Agency's 1993-94 budget requested by the Mayor's Office.

Juanita Williams, representing United Public Employees Local 790, requested item (d) be deferred until completion of the Shannon classification study and the Agency's Strategic Plan.

Mr. King noted his concurrence with this request because there was a lack of notification and decisions should not be made in haste when dealing with people lives. No action should be taken until the Unions have had an opportunity to organize.

In response to an inquiry from Mr. Kouba regarding the repercussions of a postponement, Robert Gamble, Deputy Executive Director, Finance, indicated that the Mayor is obligated to submit a budget to the Board of Supervisors on June 1 regardless of whether the Commission act or not.

Mr. Hom noted his concurrence with Mr. King that the Unions have not had an opportunity for discussions, however, the Mayor will act with or without Agency approval.

Linda Jofuku, International Federal of Professional and Technical Engineers Local 21 requested that item (d) be postponed. She indicated that it is too premature to make a decision because there is not sufficient information available.

Frank Martin Del Campo, Local 790, requested that item (d) be postponed and an opportunity be provided for the Union to meet with Agency management and the Commission.

Ms. Jofuku and Mr. Del Campo noted their opposition to contracting out.

Ms. Bolanos indicated that she would like consideration given to an original proposal contained in staff memorandum dated May 5, 1993, which eliminated twenty positions with no layoffs. She noted that she does not support temporary restructuring of the Agency at this time and the Mayor should be requested to delay decisions on staffing until the Agency's Strategic Plan is completed. Furthermore, the Commission supports the position of the Unions that there should be no contracting out.

Ms. Ong noted her concurrence with Ms. Bolanos' comments.

Following further discussion, the following motion was adopted:

MOTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT STAFF SUBMITS TO THE MAYOR'S OFFICE: (1) CLEAR INDICATION OF THE AGENCY'S TAX REVENUE PRODUCING ABILITIES AND QUANTIFIABLE GOODS AND SERVICES; (2) ELIMINATION OF THE ORIGINAL POSITIONS ANTICIPATED BY MR. GAMBLE'S MEMORANDUM OF MAY 5, 1993 WHICH INCLUDES TWENTY POSITIONS AND ALL EXISTING VACANCIES WITH A TOTAL OF APPROXIMATELY 23 PLUS 13. FURTHERMORE, THE COMMISSION TAKES THE POSITION OF NOT SUPPORTING CONTRACTING OUT. IN ADDITION, THE COMMISSION DOES NOT SUPPORT RESTRUCTURING OF THE AGENCY AT THIS TIME AND BELIEVES DECISIONS ON STAFFING SHOULD BE DEFERRED UNTIL COMPLETION OF THE AGENCY'S STRATEGIC PLAN.

- (a) Judy Eng, Development Specialist, introduced item (a), which requests authorization of a Fourth Amendment which revises the Schedule of Performance and further extends the absolute conveyance date under the Agreement for Disposition of Land (LDA) for Private Development with the Bush Street Synagogue Cultural Center for the purchase and rehabilitation of 1881 Bush Street and the development of the adjacent parcel located the southeast corner of Bush and Laguna Streets in the Western Addition A-2. The developer is having difficulty securing sufficient predevelopment funds to complete the requirements of the LDA, including the preparation and submittal of final construction documents, obtaining a building permit and obtaining financing. However, a grant has been obtained from the National Trust for Historic Preservation which will support the cost of a fundraising consultant to conduct a feasibility study of the development program. The proposed revised performance schedule extends the date for submission of evidence of financing to August 17, 1993 and conveyance of the site to September 17, 1993. The Kimochi Senior Center has postponed its interest in this development due to the withdrawal of key financial backers. A letter has been received from Scott Yoo of the Korean American Professional Association regarding interest in the Synagogue building from a coalition of non-profit organizations. Staff met with Mr. Yoo who indicated that its collaborative organization is seeking a facility to accommodate various uses to provide multi-services for the Korean community. A letter of interest only has been received, not a proposal. The proposed extension will provide an opportunity for the Developer to explore the interest of the Korean community.

Felix Warburg, Developer representative, indicated he would be willing to consider any proposals.

Kwang Sun Kim, Northern California Music and Arts Cultural Center and Eugene Sim, Korean American Professional Society noted their interest in developing a project to accommodate five community organizations.

In response to an inquiry from Mr. Kouba, Ms. Eng indicated that in the event the Fourth Amendment is not approved, the remedies provided for in the LDA would be invoked. She indicated that it

is believed the developer has made good faith efforts, but because it is a non-profit organization, difficulties have been encountered in obtaining financing.

Mr. Helfeld noted that it is not unusual to have a number of extensions for non-profits because of difficulties getting financing and this is an expensive restoration.

David Madway, Agency General Counsel, indicated the Agency is limited to what it can do because there is a contract with an existing developer.

Mr. Kouba noted his support of granting the extension because the developer is making good faith efforts to move the project forward and he would encourage the Korean groups to look at other sites.

ADOPTION: IT WAS MOVED BY MR. KOUBA THAT RESOLUTION NO. 88-93 BE ADOPTED.

THE RESOLUTION DIED DUE TO LACK OF A SECOND

Mr. Madway noted that the Agency will issue a Notice of Default and if it is not cured within the thirty day cure period, a Termination Notice will be issued, following which the LDA will automatically terminate after twenty-one days.

Mr. Warburg indicated that the financial feasibility is being determined once and for all and it would make sense to continue the project. If the report indicates the project is not feasible then the rights would be relinquished.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Commissioners have been provided with a flyer from the Non-Profit Housing Association of Northern California regarding a conference to be held on June 11, 8:30 a.m. to 3:30 p.m., at the Federal Reserve Bank on "Housing is Economic Development".
- (b) The Commissioners have been provided with a copy of a memorandum to Jim Wunderman of the Mayor's Office which shows an increase in real estate growth and property taxes the City collects generated by redevelopment projects.
- (c) In response to a request from the Commission, a memorandum has been prepared summarizing activities of current redevelopment projects, including Hunters Point Naval Shipyard, showing why project management staff is needed. It is hoped this information will assist the Commission in formulating recommendations to the Mayor's Office on Agency staff reorganization and layoffs.

It was the consensus of the Commission that the information be forwarded to the Mayor's Office.

- (d) The Commissioners have been provided with information on six individuals with whom the Agency presently contracts.
- (e) Ms. Ong reported that she and Executive Director attended a breakfast meeting with several members of Friends of Redevelopment, Charlotte Berk, Haig Mardikian, Walter Newman and Daniel Collins. They were eager to present a favorable picture of what the Agency has done in terms of revenue and projects and suggested the Supervisors be encouraged to visit the project areas.

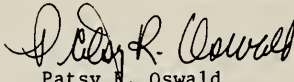
Vice President Ong announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the northwest corner of Eddy and Webster Streets in the Western Addition A-2 and the entity the Agency may negotiate with is Fillmore Market Place Associates.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Kouba, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations and Personnel. The meeting adjourned at 6:15 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

August 3, 1993

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MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
28TH DAY OF MAY, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a Special meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 28th day of May, 1993, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Sonia S. Bolanos
Leroy King
Clarence R. Stern

and the following were absent:

Ben L. Hom
Gary Kitahata
Jon Henry Kouba

The Acting President declared that a quorum was present.

Gene E. Suttle, Acting Executive Director, and staff members were also present.

Also present were: Victor Silva, Agency Data Processing Manager; Elena Branick, Agency Senior Architect; William Carney, Agency Senior Architect/Architectural Contracts Administrator; Bob Davis; Jo Anne Lawrence, International Federation of Professional and Technical Engineers Local 21; Juanita Williams and Frank Martin Del Campo, United Public Service Employees Local 790.

Representing the press was: Gerald Adams, San Francisco Examiner.

NEW BUSINESS

- (i) Mr. Suttle introduced item (i), the purpose of which is for discussion and action on the Agency's 1993-94 budget. He noted that this is a sad day in the history of the Agency and there is distress and disillusionment with the process that has occurred. He commended all involved in dealing with difficult issues which have not been resolved to anyone's full satisfaction.

Robert Gamble, Deputy Executive Director, Finance, noted that the Agency's budget has been under review by the Mayor's Office since it was submitted in February. He recapped the sequence of events that had occurred since the May 25, 1993 Agency meeting when the Commission arrived at the best approach that could be made in avoiding layoffs and impacts on the Agency's services while still meeting the Mayor's mandate to cut staff by 40 percent. The

Commission's proposal was presented to the Mayor's Office on May 26, however, they insisted total staff be reduced to seventy and a number of the Agency's functions be contracted out. On May 27, several Commissioners met with Agency staff, Union representatives and then with the head of the Mayor's Budget Office to reach agreement on the number of staff reductions needed to meet the requirement of seventy staff. A request not to make staff reductions or contract out was again rejected. The Mayor's Office therefore proposed the Agency proceed with staff reductions discussed on May 27 which have now been discussed with affected staff, including those affected by the proposed contracting out of several Agency functions.

Mr. King noted his opposition to contracting out. He indicated it should be made clear that this is the Mayor's budget and it is not the Commission's recommendation.

Mr. Gamble indicated that it will be represented to the Board of Supervisors that this budget is not endorsed by the Agency Commission.

The following persons spoke regarding item (i): Victor Silva, Agency Data Processing Manager; Elena Branick, Agency Senior Architect; Frank Martin Del Campo and Juanita Williams, representing United Public Employees Local 790; William Carney, Agency Senior Landscape/Architectural Contracts Administrator; Bob Davis; and Jo Anne Lawrence, Federation of Professional and Technical Engineers Local 21.

Mr. Silva noted his concern that it is planned to fill the vacant position of Financial Operations Manager from outside the Agency, the functions of which are very capably being carried out by a long term Agency employee. He requested that the Financial Operations Manager position be eliminated and his position be retained in lieu of contracting for his services.

Elena Branick, Senior Architect, requested support for Agency employees and the Agency's program which can only be carried out with individual knowledge and skills and requested the staffing list be revised based upon the needs of the Agency. She noted that buildings now comprise a major part of redevelopment work, rather than landscaping and a landscape architect is being retained rather than an architect who provides full support to the Real Estate Division.

Mr. Del Campo expressed appreciation to the Commission for their concern and an unprecedented willingness to cooperate. He noted that the Union has the same position as the Commission on contracting out and this will be taken up with the Mayor's Office and the Board of Supervisors. He indicated that it is intended in new contract negotiations to provide recall provisions to assure members of the right to have their jobs back.

Mr. Carney summarized his job responsibilities as a landscape architect and requested there be a process whereby staff are not pitted against each other by publicly comparing positions.

Mr. Davis urged the Commission to continue their fight for the sake of the communities.

Ms. Lawrence expressed appreciation to the Commissioners for their cooperation and noted her support of Mr. Del Campo's comments.

Ms. Williams requested that the salaries of any employee that is laid off, has seniority rights and exercises the right to bump another employee be Y-rated.

Mr. King indicated that this is the Mayor's budget which cuts the Agency to seventy staff. He noted his concern that staff started processing staff reductions without the knowledge of the Commission and key professional personnel are being retained while the workers are being laid off. He noted his opposition to contracting out and his hope that it will be rejected by the Board of Supervisors. In addition, the Commission is opposed to restructuring at this time.

Ms. Ong indicated that she and Mr. Stern had pointed out to the Mayor's Office that the employees it is proposed to contract out are African Americans with twenty years of service and contracting out will only save \$100,000. In light of the refusal of the Mayor's Office to accept the Commission's proposal, the list should be revisited.

Mr. Suttle noted that the budget before the Commission is at the Mayor's Office and contains positions it is proposed to retain and eliminate so to revisit positions would be difficult. Staff will be pleased to deal with individual personnel issues, such as Mr. Silva's, in Closed Session.

Ms. Bolanos indicated that the Commission is not pitting employees against employees. It had been believed at the May 25 meeting layoffs had been prevented, however, since the Commission's proposal has been rejected by the Mayor's Office, the communities will be impacted and it is their responsibility to protest to the Board of Supervisors.

MOTION: IT WAS MOVED BY MS. BOLANOS AND UNANIMOUSLY CARRIED THAT ALL EMPLOYEES WHO ARE ARE LAID OFF AND EXERCISE SENIORITY RIGHTS BE Y-RATED.

In response to an inquiry from Ms. Bolanos, Mr. Gamble indicated it was his belief that it would be possible for the Board of Supervisors to add to the budget because the Agency is not a City Charter Department.

Ms. Bolanos requested that Agency General Counsel secure verification of this as soon as possible because if the Board of

Supervisors has the power to add to the Agency's budget there is a whole different context whereby the Agency is in an advantageous position of having flexibility.

MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT THE COMMISSIONERS APPEAR BEFORE THE BUDGET COMMITTEE OF THE BOARD OF SUPERVISORS IN SUPPORT OF NOT CONTRACTING OUT THIRTEEN EMPLOYEES AND IN SUPPORT OF THE UNION'S POSITION OF NO LAYOFFS.

Ms. Ong indicated she would like to see the Financial Operations Manager position filled internally and Mr. Madway indicated that under the Salary Resolution the position of Financial Operations Manager is not an "at the Commission's pleasure appointment" and the Executive Director has authority with regard to that position.

Ms. Bolanos indicated she believes the Commission can eliminate vacant positions as matter of policy. Mr. Madway indicated that this is correct and that when the Salary Resolution comes before the Commission they can alter the positions, eliminate and add positions.

Mr. Gamble indicated that no decision has been made regarding the Financial Operations Manager and he would like an opportunity to discuss it in Closed Session in the context of issues raised by Mr. Silva.

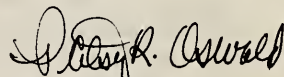
Ms. Ong indicated that it was her understanding that budget matters relating to layoffs could not be discussed in Closed Session. Mr. Madway indicated that is correct, however, on an issue that pertains to the merits of candidates for a position, that is an appropriate subject for Closed Session discussion.

Ms. Ong announced that there would be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Ms. Bolanos, seconded by Mr. King, and unanimously carried that the meeting be adjourned to a Closed Session on Personnel. The meeting adjourned at 5:10 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

August 3, 1993

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
1ST DAY OF JUNE, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 1st day of June, 1993, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Sonia S. Bolanos
Ben L. Hom
Leroy King
Gary Kitahata
Jon Henry Kouba
Clarence R. Stern

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and the following was absent:

None

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Maria Acosta Colon, Mexican Museum; Claude Ganz, President of the Jewish Museum Board of Directors; Linda Steinburg, Executive Director, Jewish Museum; David Robinson, James Stewart Polshek & Partners; Peggy Abedboi; John Elberling, TODCO; John Buss and Redmond Kernan, Hampshire Properties; Sue Hestor, Friends of the Gardens; Dwight Kinnard, P & K Trucking; Donald Cahen, attorney for the Jewish Museum; Louis Clinton and Arlet Malveaux, California Creole Cafe; Mark Zuckerman, Pasqua, Inc.; Mary Rogers; Joe Drosihn, Drosihn Architecture; Bob Davis; Steve Mattoon and Morris Phillips, Fillmore Marketplace Associates; Naja Williams, Mayor's Office of Housing; Marcia Urbin, Juliana Martinez; Richard Shencopp, Grace Ayers, Alida Francis, Miguel Guerrero, Rene Yanez, Gloria Jarmillo, Albert Moreno and Gilbert Vicario, Mexican Museum; Patrick Bechelli; J.F. Droslin; A. Malvo and Chris Malu, Gingerbread House; Carol Corr, Bernal Heights Housing Corporation, Alex Ozeroff, North Point Chartering; and S. Davis, Cafe California.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Hom, seconded by Mr. King, and unanimously carried that the minutes of the Closed Sessions of March 9, 16, 23 and 30, 1993, as distributed by mail to the Commissioners, be approved.

At this time, 4:05 p.m., Commissioners King and Stern left the meeting.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization to issue a Request for Qualifications (RFQ) for the purchase and development of Site F-1 located at the southwest corner of First and Brannan Streets in Rincon Point-South Beach and to expend an amount not to exceed \$2,500 for advertising expenses. He noted that the Commissioners have now been provided with a copy of the Request for Qualifications as requested at the May 25 meeting.

ADOPTION: IT WAS MOVED BY Mr. KOUBA, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 90-93 BE ADOPTED.

At this time, 4:07 p.m., Commissioners King and Stern returned to the meeting.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a Land Disposition Agreement with The Mexican Museum for the parcel located on the northerly side of Mission Street between Third and Fourth Streets; Yerba Buena Center.

Acting President Ong opened the Public Hearing to hear all persons interested in this matter.

Helen Sause, Project Director, Yerba Buena Center, introduced item (a), which requests authorization of a Land Disposition Agreement with the Mexican Museum for the parcel located on the northerly side of Mission Street between Third and Fourth Streets in Yerba Buena Center. In December 1991, exclusive negotiations were authorized for the development of a museum facility, which would complement other cultural facilities under construction or proposed in the area. It will accommodate the permanent collection, exhibitions, publications and public programs, and promotion of the visual expression of Mexican and Latino artists. The project is estimated to cost \$15 million, part of which will be funded by private donations from individuals, foundations, corporations and organizations. There is also a possibility of funding assistance from the Mexican government. The proposed LDA provides for a nominal payment of the Museum of one dollar for the site and as a result of this provision it is the City's intention to provide the disposition price of \$2 million in the Agency's budget to replace the revenues lost to the Yerba Buena Center project. The performance schedule calls for: submission of evidence of financing by January 1, 1997; conveyance of the site by February 1, 1997; and completion of construction within 24 months after conveyance of the site.

Maria Acosta Colon, Mexican Museum, requested approval of item (a) and expressed appreciation to the Commissioners, particularly to Ms. Bolanos, and staff for their support.

David Madway, Agency General Counsel, indicated he would like to acknowledge the role of the attorney for the Mexican Museum, Carl Johnson, in the negotiations.

Ms. Bolanos indicated that she looks forward to the groundbreaking of the Mexican Museum which will provide San Francisco with another architectural achievement.

There being no further persons wishing to appear in connection with this matter, the Acting President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 92-93 BE ADOPTED.

- (b) Helen Sause, Project Director, Yerba Buena Center, introduced item (b), which requests authorization for a non-binding Memorandum of Understanding (MOU) with the Jewish Museum San Francisco (Museum) for permanent exhibition and administrative space in connection with the development of Parcel EB-2C located at the northeast corner of Third and Howard Streets in Yerba Buena Center. In March 1993, the Museum stated its desire to work with the Agency to develop a museum facility at the Third and Howard Street site and the MOU would set forth the role of the Museum in the development of the parcel. The Museum, founded in 1982, has established itself as a valuable cultural resource, providing creative and challenging art programs for children and adults of multi-ethnic backgrounds. There are a number of issues to be discussed with the Museum and, subject to agreement being reached on those issues, staff will proceed with a public offering of the site reflecting the role of the Museum in its development.

The following persons spoke regarding item (b): Claude Ganz, President of the Jewish Museum Board of Directors; Linda Steinburg, Executive Director, Jewish Museum; David Robinson, James Stewart Polshek & Partners; Peggy Adeboi; John Elberling, TODCO; John Buss and Redmond Kernan, Hampshire Properties; Maria Acosta Colon, Mexican Museum; Sue Hestor, Friends of the Gardens; Dwight Kinnard, P & K Trucking; Donald Cahen, attorney for the Jewish Museum.

Mr. Robinson made a design presentation based upon needs and assumptions and noted there is concern about visibility and the need for exclusive entry for the Museum on Third Street.

Mr. Ganz, Ms. Steinburg, Ms. Adeboi and Ms. Acosta Colon requested approval of item (b).

Mr. Elberling indicated he had no opinion regarding this item, however, he would point out there is an important statement made in staff memorandum and he did not know the Redevelopment Agency has a principal objective of advocating arts purposes. He noted his approval of the Strategic Planning process, which will determine the Agency's mission.

Mr. Buss and Mr. Kernan requested that the process be opened up to permit other uses than housing and that a hotel development on this site not be precluded from consideration because it can be financed and go forward. Mr. Buss suggested EB-2A would be a more suitable site for the Museum than EB-2C.

Ms. Hestor indicated that community serving facilities were intended, however, everything has been transformed into arts uses in Yerba Buena Center. She indicated she would caution entering into an MOU without a plan and urged the recreational facilities be finished first.

Mr. Ganz indicated he did not feel it appropriate to discuss land that belongs to the Agency with Mr. Buss. In addition, the Museum needs its own identity to be predominant and to be a part of the artistic community. This particular site is affordable as far as the Museum is concerned.

Mr. Kinnard noted his support for the Jewish Museum and suggested consideration be given to a Black museum in Yerba Buena Center.

In response to an inquiry from Mr. Kouba, Mr. Ganz indicated that it would be preferable to share space with a condominium development, rather than a hotel because there are space and identity issues involved. Based on information to date it is not believed discussions with Hampshire Properties would be successful because there is a need for the Museum to have its own identity with its entrance on Third Street and be next to the San Francisco Museum of Modern Art.

In response to an inquiry from Ms. Ong, Mr. Ganz indicated that the issue of money has not yet been raised and it not known how much funding will be available, however, the Museum is optimistic about its ability to raise funds. Because the San Francisco Museum of Modern Art and the Mexican Museum had received Agency financial assistance, an inquiry was made as to whether funding would be available to the Jewish Museum, however there is no condition of subsidy.

Ms. Ong noted that the Agency's mission is primarily to assist impoverished communities.

In response to an inquiry from Mr. Kouba regarding the request from Hampshire Properties to amend the MOU so it would not be site specific at this time and there be modification of the land use, Ms. Sause indicated that the rationale for staff recommendation will be calendared for Commission consideration at the June 8 meeting when there will be a full discussion on land uses.

Mr. Kitahata suggested that the Executive Director be instructed to negotiate an MOU with the Jewish Museum for a parcel within Yerba Buena Center without making reference to a specific site.

Mr. Ganz indicated that from the Museum's point of view there is a need to be site specific for planning purposes and it is important to be next to the Museum of Modern Art.

Ms. Ong indicated that the Commission has generally favored the Jewish Museum in Yerba Buena Center and housing seemed the most appropriate use for that particular site. It was believed the Museum would be an incentive to a housing developer and there is a possibility the Museum could be a driving force in the development of market rate housing.

Mr. Kouba indicated he hoped there would be discussions between Hampshire Properties and the Museum and Mr. Cahen indicated he believed it is too premature to negotiate with a specific developer. Mr. Kouba indicated that he did not see why the parties could not discuss general issues and space.

MOTION: IT WAS MOVED MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT ITEM (b), RESOLUTION NO. 93-93, BE CONTINUED TO THE MEETING OF JUNE 8, 1993.

- (c) Helen Sause, Project Director, Yerba Buena Center, introduced item (c), which requests authorization of Exclusive Negotiations with California Creole for the operation and lease of the East Cafe.
- (d) Helen Sause, Project Director, Yerba Buena Center, introduced item (d), which requests authorization of Exclusive Negotiations with Pasqua Inc. for the operation and lease of the West Cafe in Yerba Buena Center.

Fourteen proposals were received for the operation and lease of the cafes were narrowed down by the Review Panel to three finalists for each cafe on the basis of reviews of existing restaurants, proposed food concept, experience and reputation and business term offer. Each finalist made presentations/samplings to staff and the Commission and the selections were made based on the presentations and all other factors. Each of the proposals were thoroughly reviewed in accordance with the process approved by the Commission against the key criteria set forth in the Request for Proposals. Staff recommendation for the East Cafe is the California Creole Cafe. The partnership to be formed to own the cafe will be 100 percent African American and the partners have submitted evidence of sufficient capital to undertake this venture and have given considerable thought to the operation and its success. Staff recommendation for the West Cafe is Pasqua Inc. who received the greatest number of favorable comments from the west cafe presentation/samplings. The organization is strong financially and offers employment benefits not usually found in the food service industry. It is proposed to enter into exclusive negotiations with the two entities for a six week period during which the lease terms will be negotiated and, given the anticipated opening of the Gardens in early October, it is critical that decisions regarding tenant improvements and cafe layouts be finalized as soon as possible.

Mr. Hom left the meeting at this time, 5:35 p.m.

The following persons spoke regarding items (c) and (d): Louis Clinton and Arlet Malveaux, California Creole Cafe; Mark Zuckerman, Pasqua, Inc.; Mary Rogers; and Sue Hestor, Friends of the Gardens.

Mr. Clinton and Mr. Malveaux requested approval of item (c).

Mr. Zuckerman requested approval of item (d).

Ms. Rogers inquired whether the Agency is prepared to build two restaurants in the Western Addition for economic development purposes.

Mr. King indicated consideration would be given to this suggestion and noted that Supervisor Kennedy has strongly urged there be recognition of the unfinished agenda in the Western Addition. The Agency will be working with the community and it is in the language of the Strategic Plan.

Ms. Hestor congratulated staff on the selection of two local businesses and expressed the hope that staff will work with the operators on job outreach for youth.

The Commissioners noted their support of Ms. Hestor's comments regarding job outreach for youth and commended staff on the process that has been followed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT ITEM (c), RESOLUTION NO. 94-93, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT ITEM (d), RESOLUTION NO. 95-93, BE ADOPTED.

- (e) William Rumpf, Chief, Housing Management and Production, introduced item (e), which requests authorization of a Fifth Amendment, which revises the terms of the payment of land price, the schedule of performance, and the additional terms, covenants and conditions of the Agreement for Disposition of Land with Fillmore Marketplace Associates, L.P. (FMA) for Parcel 732-B in the Western Addition A-2. During the next several months, the Developer proposes to begin construction on 120 units of affordable rental housing that will be affordable to households earning 60 percent of area median income or less. The Developer is requesting a land payment deferment of \$824,000 in order to have sufficient funds in the development budget to fund syndication reserve requirements. This request has been approved by the Citywide Housing Loan Committee subject to a repayment schedule whereby: at construction loan closing, the Developer shall repay \$1 million of the land price and repay the Agency \$289,809.50 in predevelopment loans, plus interest; and the Developer will execute a Promissory Note and a Deed of Trust for

the remaining \$824,000 in accordance with a specific installment payment schedule. An amended performance schedule and a revised community participation and benefits package are also being requested. The revised performance schedule calls for: submission of evidence of financing not later than June 1, 1993 which shall be subject to Agency approval; commencement of construction by August 1, 1993 with completion within twenty-four months after commencement. With regard to the community benefits package, when the Developer proposed to develop for-sale residential units, they agreed to provide a charitable contribution of \$25,000 to provide scholarships to disadvantaged children. Staff concurs with the Developer's request to delete this requirement from the LDA in lieu of the 120 rental units that will be affordable to very low income and low income households. The Developer has been successful in securing a funding commitment of \$7.1 million from RCHP as well as an allocation of low income housing tax credits and the Agency provided a predevelopment loan of \$173,495 to pay tax credit reservation and performance deposit fees. In order to extend the project's placed-in service deadline, the Developer subsequently received another allocation of tax credits and a second predevelopment loan of \$116,314.50 was to pay tax credit reservation and performance deposit fees. In addition the Agency has deferred land deposit and first installment payments due in May 1992, totalling \$182,400. Total Agency predevelopment funding assistance, including land payment deferrals, is \$472,209.50. Commission approval of the second predevelopment loan was conditioned upon the Developer not requesting further funding from the Agency and at the December 22, 1992 Agency meeting, Morris Phillips from FMA agreed to this condition.

Joe Drosihn, Drosihn Architecture, made a design presentation.

The following persons spoke regarding item (e): Bob Davis; Mary Rogers; Steve Mattoon and Morris Phillips, Fillmore Marketplace Associates.

Mr. Davis noted his support of this item because the Western Addition needs quality affordable housing.

Mr. Rumpf responded to questions from Ms. Rogers regarding the rents and qualifications for tenants. She suggested that in future developments the units include a separate dining area because this is important for families. She noted her support of this item because the project needs to move ahead.

In response to an inquiry from Mr. Kitahata regarding an assurance by the Developer in December 1992 that there would be no further requests for funding, Mr. Phillips indicated that the budget was different at that time and based on a number of assumptions that have changed, one being the syndication fee.

Ms. Ong noted her concern that the tax syndication fee of \$1.670 million is excessive and the developer only stands to profit \$260,870. Mr. Mattoon indicated that syndication fees are high

because of the risk involved and the fee is normal. The Developer is fortunate to have found an investor.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KOUBA, AND CARRIED, WITH MS. ONG OPPOSING, THAT RESOLUTION NO. 96-93 BE ADOPTED.

- (f) James Nybakken, Administrative Services Officer, introduced item (f), which requests adoption of Public Notice of Future Costs in connection with an increase in retirement plan benefits granting two years additional service credit. The two year service credit option would be provided as an incentive for eligible employees to take early retirement and thereby reduce the need for staff layoffs since the Agency has been instructed to substantially reduce staffing levels. The maximum potential costs of offering the option must be made public at least two weeks prior to the adoption of a resolution establishing the new window period. It is proposed to offer this PERS Option to all Agency classifications eligible for retirement. The costs will vary depending upon the number of employees who exercise the option, however, it is estimated the individual cost would be in the range of \$10,000 to \$58,000 depending on the age, sex and annual salary of employees that retire during the recommended window period which is June 15 through October 31, 1993. The cost of the retirement option would be paid by the use of Agency assets that are held by PERS.

The following persons spoke regarding item (f): Mary Rogers; and Dwight Kinnard, P & K Trucking.

Ms. Rogers noted her support of this item. However, she noted that the workload is too heavy to justify elimination of staff and there are too many people out of work. She indicated she would support retaining staff and suggested a four day work week be investigated.

Mr. Kinnard noted that Mayor has cut his salary and suggested top Agency staff do the same.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 97-93 BE ADOPTED.

- (g) Robert Gamble, Deputy Executive Director, Finance, introduced item (g), which requests authorization to request Mayor Jordan to designate the Redevelopment Agency as the lead agency in requesting funds and implementing federal "empowerment zone" legislation proposed by President Clinton and currently under consideration by Congress. The proposed legislation would utilize enterprise zone techniques, along with creation of community development banks, use of mortgage revenue bonds, industrial development bonds, and various other changes in municipal bond law to encourage development in economically distressed areas. Given the general thrust of the Agency's Strategic Plan and the Mayor's encouragement of the Agency's economic development mission, it is appropriate for the Agency to

be designated as the lead agency in San Francisco in applying for the use of the funding and techniques created by the legislation and its actual implementation. The legislation could be used in existing redevelopment areas or in other areas in need of economic assistance.

Ms. Bolanos commended Mr. Gamble for keeping updated on developments and suggested the resolution be amended to note that this designation is in accordance with the mission outlined in the Agency's Strategic Plan.

Mr. Kouba noted he would like a copy of the legislation and Mr. Gamble indicated this would be provided.

Mr. Kouba noted that the Mayor has indicated that the Agency is going to be the Development Arm of the City and he would like to see those words in the resolution.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 98-93, AS AMENDED, BE ADOPTED.

- (h) Naja Williams, Mayor's Office of Housing, introduced item (h), which requests authorization of a \$15,000 Predevelopment Loan to Bernal Heights Housing Corporation for the acquisition of 119-121 Holly Park Circle for housing for persons with AIDS. Bernal Heights Housing Corporation, a community based non-profit housing development corporation, proposes to purchase a two unit newly constructed building and has executed a purchase contract with the owners. The property is currently vacant and will be used to provide very affordable housing for five low income individuals with HIV/AIDS, who are capable of independent living. Total project costs are \$444,850 and the proposed \$15,000 Predevelopment Loan will provide funds for escrow deposits to be used towards the acquisition of the property. The loan has been approved by the Citywide Housing Loan Committee.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 99-93 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Two proposals have been received for the development of CB-2 Retail/Entertainment parcel in Yerba Buena Center from the Yerba Buena Entertainment Partnership (Madison Realty) and Millennium Partners. A presentation of the proposals will be made to the Commission on June 15.
- (b) In accordance with instructions from the Mayor's Office, layoff notices have been sent to the seven staff members eliminated from the budget.

In response to concern expressed by the Commissioners at the layoff notices having been issued when it is proposed to appeal the layoffs to the Board of Supervisors, Mr. Helfeld indicated that ~~if~~ that effort is successful then the notices can be rescinded. The layoffs are effective July 1, so the notices had to be issued in order to comply.

In response to an inquiry from Mr. King, James Nybakken, Administrative Services Officer, indicated that the union has been provided with copies of the layoff notices.

In response to an inquiry from Ms. Bolanos regarding the position of Financial Operations Manager, Gene Suttle, Senior Deputy Executive Director, indicated that this position is still in the budget, although it is not planned to fill it at this time.

In response to an inquiry from Ms. Bolanos, Robert Gamble, Deputy Executive Director, Finance, that it is not planned to hire a Financial Operation Manager at this time, although it is emphasized that it will need to be filled at some point in the future. It is reflected in the budget as a vacant position and the Commission need to make a decision whether to use that position to prevent one layoff from occurring.

Ms. Ong requested that Mr. Gamble prepare a recommendation to the Commission with regard to the position of the Financial Operations Manager.

Ms. Ong inquired regarding a fax addressed to senior staff and David Madway, Agency General Counsel, noted that the Commission cannot interfere with employees right to organize. Ms. Ong indicated she was not questioning the organizing but the fact that the Commissioners are being accused of being whimsical and vindictive.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Kitahata requested a status report on the Williams Building at 693 Mission Street in Yerba Buena Center.
- (b) Ms. Bolanos noted that it is important three Commissioners be selected to represent the Commission at the budget hearing before the Budget Committee of the Board of Supervisors.

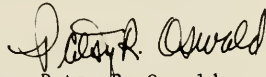
Acting President Ong announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the northwest corner of Eddy and Webster Streets in the Western Addition A-2 and the entity the Agency may negotiate with is Fillmore Market Place Associates.

There will also be a Closed Session pursuant to Government Code 54957.7 to instruct the Agency's designated representative for negotiations with represented employees and a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Stern, and unanimously carried ~~that~~ the meeting be adjourned to Closed Session on Real Property Negotiations, Negotiations with represented employees and Personnel. The meeting adjourned at 8:05 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

August 17, 1993

R35
#4
6/8/93

11 MINUTES OF A REGULAR MEETING OF THE
11 REDEVELOPMENT AGENCY OF THE CITY AND
11 COUNTY OF SAN FRANCISCO HELD ON THE
8TH DAY OF JUNE, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 8th day of June, 1993, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

- Cynthia Choy Ong, Acting President
- Leroy King
- Gary Kitahata
- Jon Henry Kouba
- Clarence R. Stern

and the following was absent:

Sonia S. Bolanos (Arrived 4:25 p.m.)

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: John Buss and Redmond Kernan, Hampshire Properties, Inc; Claude Ganz, President of the Board of Directors of the Jewish Museum; Joyce Linker, member of the Board of Trustees, Jewish Museum; John Elberling, TODCO; Kent Sims, Mayor's Office; Genevieve Bayan; Alison Gebak, Jewish Museum, Donald Cahen, Attorney for the Jewish Museum; and Rene Cazenave, CCHO.

Representing the press were: Gerald Adams, San Francisco Examiner; and Huel Washington, San Reporter.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Stern, and unanimously carried that the minutes of the Closed Session meetings of April 13 and May 11, 1993, as distributed by mail to the Commissioners, be approved.

Ms. Ong indicated that item (a), New Business, would now be considered.

NEW BUSINESS

- (a) Helen Sause, Project Director, Yerba Buena Center, introduced item (a), which requests determination of the appropriate Land Uses for the development of Parcel EB-2C located at the northeast corner of Third and Howard Streets in Yerba Buena Center. At the time it was proposed to offer the site for housing, the Jewish

Museum indicated its desire to relocate its facility to Yerba Buena Center and, after considering various available sites for such use, it is believed Parcel EB-2C is the most appropriate site for the Museum. The site is strategically located to reinforce existing residential and other cultural developments, public transit facilities and downtown retail and financial districts. It is located across Third Street from Yerba Buena Gardens and adjacent to the San Francisco Museum of Modern Art facility which is due to be completed in the Fall of 1994. Market trends indicate that housing is the highest and best use for the site because of the need and demand for all types of housing in the City and the outlook for financing housing developments indicates a gradual recovery. A private developer has requested the Agency consider a 300 room hotel, however, staff believes that development of a hotel on this site is not compatible with the priority of strengthening housing uses in the area, the program of museum use and the potential impact of a hotel on the future development of Parcel EB-2A located at the southeast corner of Third and Mission Streets. In addition, staff believes financing a hotel would be difficult because traditional sources are not available due the continued slump in the commercial real estate market. The Commissioners have been provided with scenarios related to the potential financial impact of housing compared to hotel use. It is proposed to prepare a Request for Proposals providing for a development program consisting of housing and the Jewish Museum to be calendared for Commission consideration at a future meeting.

Ms. Bolanos arrived at this time, 4:25 p.m.

In response to an inquiry from Mr. Kouba, Ms. Sause noted the completed housing projects in Yerba Buena Center.

In response to inquiries from Commissioners Kouba and Stern, Ms. Sause indicated that demolition of the Williams Building is estimated at \$460,000 and the full cost for rehabilitation at \$6.3 million.

The following persons spoke regarding item (a): John Buss and Redmond Kernan, Hampshire Properties; Claude Ganz, President of the Board of Directors of the Jewish Museum; and Joyce Linker, Member of the Board of Trustees of the Jewish Museum.

Mr. Buss read a letter dated June 7, 1993 into the record enumerating the benefits that would be derived from the construction of a 300-room hotel on Parcel EB-2C. He noted that one of the omissions in the staff report is that it talks about the desirability of Parcel EB-2C for a museum and housing, which would in turn support the other cultural facilities, but it does not refer to uses which will necessarily reinforce and support the primary use of Yerba Buena Gardens which is the Moscone Convention Center. Staff report indicates that financing a hotel would be more difficult than financing a housing development, however, this hotel can be financed and meetings have been held with bond people

on a regular basis. Forte, Inc., the parent company, will provide whatever financial guarantees are required.

Mr. Kernan noted that the Yerba Buena Center Redevelopment Plan allows every conceivable use on Parcel EB-2C, however, staff has been unwilling to issue a request for all permitted uses. He noted that he supports the Jewish Museum locating in Yerba Buena Center and suggested a non-binding Memorandum of Understanding be entered into with the Museum to find the best possible site and see what other proposals are offered because this way the Agency will keep control of the site.

Mr. Ganz indicated that on March 15, 1993 the Jewish Museum confirmed in writing its intention to build a museum on the site. He noted that based upon a letter from Mr. Helfeld, an architect and a consultant were retained to review programmatic needs and costs are being incurred that cannot be recouped. He noted his concern that a potential hotel use had not been mentioned and he believed a hotel use would encroach on the Museum's identity and space needs.

Ms. Linter indicated that the Museum is interested in interacting with the general community and would like to be close to the San Francisco Museum of Modern Art (SFMMA).

Mr. Kitahata indicated that it should be made clear that in Closed Session the Commission authorized staff to negotiate with the Jewish Museum, but that development rights must be acted on at a public meeting. However, he felt it would be premature to restrict the land use to housing alone and the RFP should be as broad as possible. Although a compatible use with the Museum would be preferable, it would be economic folly to dismiss a hotel development.

Ms. Bolanos noted her concurrence with Mr. Kitahata's comments and suggested Parcel EB-2A could be an alternative location for the Museum which would not be far from the SFMMA.

Mr. Kouba noted that there has been discussion on how the Commission should retain control of the process and Ms. Sause indicated that no matter what the Commission decided they do not relinquish control. The role for the Agency is analyzing objectives for the neighborhood and how best they can be achieved in accordance with the Redevelopment Plan.

Mr. Ganz indicated that with regard to the proposal for Parcel EB-2A there would not be a problem except access to that site is several years away and the cost implications are not known.

Mr. Helfeld indicated that Parcel EB-2A is a much larger parcel and it will take further study as to whether to keep it in one piece and then there is also the issue of the Williams Building, the demolition of which would take about a year.

Mr. King indicated that the Commission directed staff to negotiate with the Jewish Museum on the basis of a housing use and it is unfair to change it at this point and open it up to two parties. The Williams Building issue could take several years to resolve and he would like to move forward with the proposal for the Jewish Museum with housing.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, THAT THE RESOLUTION BE AMENDED TO OPEN PARCEL EB-2C UP FOR ANY DEVELOPMENT PROPOSALS, WHICH MAY OR MAY NOT INCLUDE A MUSEUM USE, AND THE DEVELOPMENT NOT BE RESTRICTED TO HOUSING.

UPON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Bolanos
Mr. Kitahata
Mr. Kouba

AND THE FOLLOWING VOTED "NAY":

Mr. King
Ms. Ong
Mr. Stern

AND THE FOLLOWING ABSTAINED:

None

THE ACTING PRESIDENT THEREUPON DECLARED THAT THE MOTION FAILED.

Ms. Ong indicated she had hoped the resolution could be limited to hotel and housing uses, rather than an office building, because she is committed to the idea that one of the parcels be dedicated to housing and one be dedicated to a hotel.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, THAT RESOLUTION NO. 100-93 BE AMENDED TO READ: PARCEL EB-2C BE OFFERED FOR DEVELOPMENT OF HOUSING OR A HOTEL, WHICH MAY INCLUDE A MUSEUM USE.

UPON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Bolanos
Mr. Kitahata
Mr. Kouba
Ms. Ong

AND THE FOLLOWING VOTED "NAY":

Mr. King
Mr. Stern

AND THE FOLLOWING ABSTAINED:

None

THE ACTING PRESIDENT THEREUPON DECLARED THAT THE RESOLUTION CARRIED, AS AMENDED.

UNFINISHED BUSINESS

- (a) Helen Sause, Project Director, Yerba Buena Center, introduced item (a), which requests authorization to negotiate a Non-Binding Memorandum of Understanding (MOU) with the Jewish Museum San Francisco (Museum) for permanent exhibition and administrative space in connection with the proposed future offering of Parcel EB-2C located at the northeast corner of Third and Howard Streets in Yerba Buena Center. In March 1993, the Museum stated its desire to work with the Agency to develop a museum facility at the Third and Howard Street site and the MOU would set forth the role of the Museum in the development of the parcel. The Museum, founded in 1982, has established itself as a valuable cultural resource, providing creative and challenging art programs for children and adults of multi-ethnic backgrounds. In accordance with a Commission request at the June 1, 1993 meeting, the Commissioners have been provided with a description of the sites available for development in Yerba Buena Center. Staff continues to believe that Parcel EB-2C is the most appropriate site for the Museum. There are a number of issues to be discussed with the Museum and, subject to agreement being reached on those issues, staff will proceed with a public offering of the site reflecting the role of the Museum in its development. Discussion on a Request for Proposals will be calendared for Commission consideration at a future meeting.

Ms. Bolanos noted her concern that this resolution is in conflict with the resolution adopted by the previous item which indicates a hotel or housing use on Parcel EB-2C. She suggested the resolution be amended to indicate that the MOU refers to space in Yerba Buena Center, rather than being site specific, which will give the Museum a right to space in Yerba Buena Center.

In response to an inquiry from Commissioners King and Stern, David Madway, Agency General Counsel, indicated that there is not a conflict between the two resolutions.

Mr. Kouba indicated that the non-binding MOU will provide an opportunity for the Museum to be part of a hotel or housing development and the resolution should be left as is.

Mr. Kitahata indicated that the non-binding MOU should be for both Parcels EB-2C and EB-2A. Adoption of this resolution may restrict the Agency's ability to develop Parcel EB-2C and he would vote against the item.

Ms. Ong noted a housing use for Parcel EB-2A has not yet been decided and Mr. Helfeld reiterated that there are a number of issues to be resolved before a land use can be determined, including the Williams Building, and it will not be available as early as Parcel EB-2C.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MR. KOUBA, AND CARRIED, WITH MR. KITAHATA OPPOSING, THAT RESOLUTION NO. 93-93 BE ADOPTED.

NEW BUSINESS (CONTINUED)

- (b) Gene Suttle, Senior Deputy Executive Director, introduced item (b), which requests authorization of a First Amendment to the Personal Services Contract, which increases the amount payable by \$4,900, with Wes Willoughby for Professional Reports and Media Assistance. Mr. Willoughby has provided valuable assistance to the Agency by providing favorable media contact, in writing or review of important documents and planning, layout and publication of newsletters and brochures. The First Amendment has been negotiated to cover outstanding billings and estimated demand for Mr. Willoughby's services through the end of the contract period June 30, 1993. Mr. Willoughby's hourly rate of \$60 has not changed in five years and was based on a survey of similar service provided in the public sector and private industry at that time.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 101-93 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), the purpose of which is for consideration of Working Paper No. 3 of the Agency's Strategic Plan. Mayor Jordan has determined to revise the Agency's budget to include certain functions now housed in the Mayor's Office of Economic Planning and Development (MOEPD) and suggests the Agency not only be involved in redevelopment but would be responsible for many activities currently in the Mayor's Office. The Executive Director was instructed to meet with Kent Sims of the Mayor's Office and prepare an interim structure and the Commissioners have been provided with an organizational chart which reflects five individuals, including Kent Sims, whom it is proposed will move to the Agency from the Mayor's Office.

Ms. Ong reported on events leading to the proposed interim structure. She noted that she and Commissioner Stern had attended a meeting with Agency staff and Mayor's Office staff on June 2 which was the first time Commissioners were present to hear what the Mayor was proposing with regard to the merger of MOEPD with the Agency. Since that time the Commissioners were never involved in any discussion of this restructuring and on June 7, the Commissioners learned after the fact that housing was discussed with the Mayor's Office. Again the Commissioners were not present so this report is now being received for the first time. It is suggested a motion be made that henceforth whenever staff meets with the Mayor's Office on policy matters that a designated Commissioner or Commissioners attend so they can be aware of such proposals at the same time instead of learning after the fact. The Commission is responsible for determining policy and if they are not involved in discussions then they are at a disadvantage.

Mr. Stern indicated that for clarification purposes, at the meeting at the Mayor's Office on June 2 there were discussions regarding merging MOEPD with the Agency. Mr. Lazarus suggested, and it was agreed, that he, Kent Sims and Agency staff would meet to work out this chart so staff were not working independently in this instance.

Mr. King indicated that during his thirteen years on the Commission whenever a Mayor was going to make a policy change the Commissioners were consulted and this has always been the procedure.

Mr. Kouba indicated that he and Ms. Ong had been present at the Mayor's Office several weeks ago when the possibility of the Mayor's Office moving some of the Agency's housing functions to the Mayor's Office of Housing was discussed so this is not a surprise. No agreement was reached and the Mayor agreed with the Commissioners that it should be not be fait accompli until the Agency's Strategic Plan is considered.

Ms. Bolanos indicated that there is a tremendous difference between staff attending meetings in order to provide alternatives to the Commission and discussions on fundamental policy without Commissioners present. Discussions on moving one department to another or integrating another City department into the Agency are fundamental issues of policy which involve staffing patterns and restructuring and she would disagree with the comments of the Commissioners who believe staff can handle such matters without Commission representation. She noted that during her tenure as a Commissioner, whenever matters of policy, budgetary issues, staffing patterns and functions were discussed, Commissioners were always involved. The Commissioners have a responsibility to work collaboratively in policy matters. There is a distinction between staff preparing documents to be presented to the Commission and the Commission being presented with a fait accompli. This chart should have been faxed so the Commissioners could review it before the meeting.

Mr. Helfeld indicated that the chart is being presented for discussion purposes only.

Following further extensive discussion, the following motion was adopted:

MOTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT TO ASSURE THAT THE COMMISSION BE KEPT INFORMED ABOUT IMPORTANT DEVELOPMENTS: (1) WHEN STAFF IS CALLED TO A MEETING AT THE MAYOR'S OFFICE TO DISCUSS A POLICY PROPOSAL, THE PRESIDENT SHALL BE INFORMED SO THAT HE OR SHE HAS AN OPPORTUNITY TO ARRANGE FOR THE ATTENDANCE OF A COMMISSIONER AT SUCH A MEETING; AND (2) A COPY OF THIS MOTION SHALL BE SENT TO THE MAYOR AND HIS STAFF.

Ms. Bolanos requested clarification on the specifics of what is being presented by the organizational chart in terms of skills,

responsibilities, salaries and present functions of the MOEPD staff to be integrated, how the integration is proposed in terms of impact on the Agency's existing Economic Development Department and how the projects interface, particularly with regard to 24th Street and Chinatown.

David Madway, Agency General Counsel, noted that it is appropriate to proceed with a discussion, however, in his opinion no vote should be taken until the matter has been calendared on the agenda to provide an opportunity for public comment.

Kent Sims, MOEPD, noted his concern that during the discussion there has been an implied criticism of the Mayor so he would explain why the Mayor has acted the way he has on this. For almost a year the Agency has been involved in a joint strategic planning exercise involving, not only this Commission, but also the Mayor's Office and the Board of Supervisors. In addition, because of the Brown Act Regulations, there is a limit to the number of Commissioners that can meet in the Mayor's Office at one time without a publicly noticed meeting. A number of meetings have taken place recently which were attended by Commissioners and it is the Mayor's presumption that any time Commissioners meet in his office they share that information with the Commissioners that are not present. Preliminary discussions on the merger and what this organization would look like were attended by Commissioners Ong and Stern. Mayor's Office staff and Agency staff were directed to take a preliminary cut and provide a document that could be the basis for further discussion so staff should not be criticized for participating in the preparation of the chart. Reference is being made, as it is in the Strategic Plan, about creating an economic development agency for the City of San Francisco which has considerably broader responsibilities than the old Redevelopment Agency. It is the Mayor's view, and it is hoped it is the view of the Commission, that that has been basically where the strategic planning exercise has been headed, to create that new kind of an agency. On behalf of the Mayor, your indulgence is requested for the fact that this is moving rather rapidly as it is throughout the City and ask the Commission to join in a cooperative effort with the Mayor's Office to try to put this together in a way that serves the citizens of San Francisco. Not only are a concentration of resources and responsibilities being strived for, but efficiencies in City government.

Ms. Ong noted that there was no intention by the Commission to offend the Mayor and what has been suggested is an attempt to have a more cohesive appearance with the Mayor. In addition, there was no intended offense to staff. Mr. Lazarus has agreed a motion could be made to the effect that Commission representatives appear simultaneously with staff when policy matters are being discussed. The Commission is aware of the Brown Act and has never asked the Mayor that its regulations be violated and it is certainly expected that designated Commissioners report back to the other Commissioners.

Ms. Bolanos indicated that the structure reflects a function and staffing pattern that should be of concern to the Commission. She reiterated her request for further information on the MOEPD individuals to be integrated before there is a public discussion.

Mr. Helfeld distributed a letter to the Commission from Mayor Jordan dated June 8, 1993 on the subject of the Housing Portion of the Agency's Strategic Plan.

Mr. Kitahata inquired regarding postponing discussion on Working Paper No. 3 in the light of recent events because housing and economic development issues need to be discussed first.

Mr. Gamble indicated that it had been originally intended to calendar a discussion of Working Paper No. 3 for June 29 which would permit time for distribution of the working paper to the public. However, because of new issues now before the Commission on economic development and housing, he would seek Commission guidance on this.

Mr. Kitahata suggested the working paper draft could be distributed supplemented with a description of the economic development and housing issues.

John Elberling, TODCO, indicated that this is the hardest time for the Agency since it was founded and he would like to see a more focused mission than Working Paper No. 3 contains. He noted that given the uncertainty of the times, a time plan of five years is suggested and there should be more emphasis on public land development. Cultural recreational facilities are not the Agency's mission and the Arts Commission should be overseeing the Center for the Arts, not the Agency Commission. In addition, the document does not cover empowerment and the citizens who are supposed to benefit from Agency activities.

Mr. Helfeld noted that there are budget decisions to be made within a week and it is highly probable members of the Board of Supervisors will want to know the Commission's position on the economic development and housing issues, even though their effect on the budget is minimal.

In response to an inquiry from Ms. Ong, Mr. Gamble indicated that with regard to the layoff of the Legal Secretary III, this position will be retained and funded by tax increment.

Ms. Ong noted that she had hoped a layoff of the Data Processing Manager could be prevented by not filling the vacant position of Financial Operations Manager and Mr. Gamble indicated that the layoff would be averted as suggested by Ms. Ong.

Ms. Bolanos requested updated information on layoffs and the impact on the budget, which Mr. Gamble indicated would be provided.

In response to an inquiry from Ms. Bolanos, Mr. Gamble indicated that he assumed there would be a letter forthcoming from the Mayor's Office amending the Agency's budget with regard to adding economic development positions and sources of funding for those positions so perhaps that would be the appropriate document to send out with the working paper.

Ms. Bolanos inquired whether there would be any problem in providing a summary to the public of the information she had requested earlier, except for salaries and funding sources which would be for the information of the Commission.

Ms. Ong suggested perhaps Mr. Sims could develop a summary that shows how this integration of MOEPD integrates into the strategic plan.

Mr. Sims indicated that he would like to reiterate that this is not an integration but the creation of a new economic development agency with redevelopment and development powers. He indicated he would be pleased to prepare a summary description of the functions shown on the chart for the public.

Ms. Bolanos indicated she would be satisfied if the Commission receives specific information on the impact on the Agency and that a summary to be sent out to the public.

Mr. Sims indicated he would prepare a memorandum on the rationale for the merger and the proposed economic development structure in collaboration with Agency staff.

Mr. Kouba suggested that there be further discussion on the economic development and housing issues when the Commissioners have received the information to be prepared by Mr. Sims and Agency staff.

Ms. Bolanos noted her concurrence with Mr. Kouba and indicated that next week the Commission will be confronted with making a decision and adequate information is needed to rationally assess potential implications.

Mr. King noted that the Commission is on record on keeping present staff and there be no contracting out.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Genevieve Bayan noted her concern that there has not been a response to a request to the Western Addition African American Task Force for \$25,000 for the Juneteenth Festival and a Task Force meeting at which the request was made was declared null and void due to lack of a quorum.

Gene Suttle, Senior Deputy Executive Director, indicated that the Mayor has given the Task Force the responsibility of allocating funds and he did not believe the Agency should interfere.

Huel Washington, Sun Reporter, indicated that there are sixteen individuals on the Task Force and if there is a problem getting a quorum then a new Task Force should be appointed.

Lucia Mele, Economic Development Specialist, noted that information has been provided to Ms. Gray of the Task Force on the attendance record of the Task Force members which she is taking to Mr. Wunderman of the Mayor's Office with a suggestion that the membership be modified.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) In light of the Mayor's action in removing Ben Hom from the Commission, and in accordance with the By-laws, there is a need to elect a President and Vice President at the next meeting.
- (b) A development entity is interested in developing a supermarket on a parcel in South Beach which is designated in the Redevelopment Plan for housing, so a Plan Amendment would be required. However, because there is concern about competition with the supermarket planned in Yerba Buena Center, staff intends to indicate that there is no plan to change the land use at this time.
- (c) Robert Gamble, Deputy Executive Director, Finance, indicated that there is a need to accomplish a merger of redevelopment projects within the upcoming year to survive financially. There will be discussions in the near future and the Commission will be provided with an informational memorandum.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from Ms. Ong, Mr. Gamble indicated that Jim Lazarus of the Mayor's Office is concerned at offering early retirement benefits to all classifications and is suggesting a more selective program whereby it would only apply to classifications the Agency expects not to fill in the near future.

James Nybakken, Administrative Services Officer, noted that action taken on June 1 was only to make public costs known and it will be calendared as an action item at the June 29, 1993 meeting.

- (b) Mr. Kitahata indicated he would like a recommendation brought forward on demolition of the Williams Building.
- (c) In response to an inquiry from Ms. Bolanos, Mr. Helfeld indicated that the Commission will be provided with an informational memorandum on the current status of handling contracts of the Agency's service providers.

Minutes of a Regular Meeting, June 8, 1993


Acting President Ong announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located in the block bounded by Market, Mission, 10th and 11th Streets and the entity the Agency may negotiate with is Bank of America NT & SA.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel and a Closed Session pursuant to Government Code Section 54957.7 to instruct the Agency's designated representative for negotiations with represented employees.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations, Personnel and instructions to the Agency's designated representative for negotiations with represented employees. The meeting adjourned at 7:35 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

August 24, 1993

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 || MINUTES OF A REGULAR MEETING OF THE
 || REDEVELOPMENT AGENCY OF THE CITY AND
 / COUNTY OF SAN FRANCISCO HELD ON THE
15TH DAY OF JUNE, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 15th day of June, 1993, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
 Sonia S. Bolanos
 Leroy King
 Gary Kitahata
 Jon Henry Kouba
 Clarence R. Stern

and the following was absent:

None

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Frank Martin del Campo, representing United Public Employees Local 790; Kent Sims, Mayor's Office; Ted Wang, Lawyers Committee for Civil Rights and Coalition for Economic Equity; Dwight Kinnard, P & K Trucking; Mary Rogers, Western Addition community; Pete Lapid, Council of Asian American Business Associations (CAABA); Myles Stevens; Alonzo Douglas and Alfred Hines, Building Services Technicians; Jo Anne Lawrence, United Public Employees Local 21; Mark Berkson, NERA; Pamela Tebo, Agency employee; Joseph Gonzales; and Tom Lau, Asian, Inc.

Representing the press were: Gerald Adams, San Francisco Examiner; Don Lau, Asian Week; and John King, San Francisco Chronicle.

ELECTION OF OFFICERS

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, THAT MS. ONG BE ELECTED PRESIDENT.

Ms. Ong indicated that she was not prepared to accept the office of President and would prefer to remain Vice President.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT THE MATTER OF ELECTION OF PRESIDENT BE TABLED.

NEW BUSINESS- CONSENT AGENDA

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing the expenditure of funds in an amount not to exceed \$132,200 to pay off the senior lien and delinquent Homeowner Association dues on 1412 Golden Gate Avenue; Affordable Condominium Program; Western Addition A-2.
- (b) Authorizing an amendment to the Memorandum of Agreement with United Public Service Employees Local 790 to extend the term through August 30, 1993.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) AND (b), RESOLUTION NUMBERS 102-93 AND 103-93, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) William Rumpf, Chief, Housing Production and Management, introduced item (c), which requests authorization of a Third Amendment to the Predevelopment Grant with San Francisco Affordable Housing Preservation Association, Inc., (Sponsor) for an amount not to exceed \$57,950 relating to the acquisition and rehabilitation of Glenridge Apartments located at 9 Berkeley Way. The previously disbursed \$244,155 predevelopment grant was for predevelopment expenses associated with the Sponsor's attempted acquisition of this 275 unit project, which is subsidized under the FHA 221 (d)(3) Program. The Sponsor has been working towards purchasing the project from the current private owner so that it can be made permanently affordable. The primary funding sources would be HUD Flexibility Subsidy Loan and a decision on the Sponsor's 241 (f) loan application is expected by July 1993. In December 1992, the Citywide Housing Loan Committee approved the tenants request for \$1.6 million in Agency funds, subject to a number of conditions, however, staff decided not to seek Commission approval of the \$1.6 million grant until a clearer picture of the available HUD financing has been determined. One of the conditions of the Loan Committee's approval was provision of Agency funds for obtaining detailed, and cost-estimated scope of work for 100 percent of the units and common space and approval by the Agency of the scope of work for rehabilitation prior to start of construction. An increase in the predevelopment grant of \$57,950 is being requested for architectural inspections, preparation of bid specifications and rehabilitation cost estimate. The project is consistent with the Agency's affordable housing preservation program and the request has been approved by the Citywide Housing Loan Committee.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 104-93 BE ADOPTED.

- (d) James Nybakken, Administrative Services Officer, introduced item (d), which requests authorization to grant an additional window period pursuant to Section 20818 of the Public Employees

Retirement Law for providing two years additional PERS service credit. The two year service credit option would be provided as an incentive for eligible employees to take early retirement and thereby reduce the need for staff layoffs. The potential costs of offering the option were made public two weeks ago and the proposed action would establish a new window period from June 15 to October 31, 1993. At the recommendation of the Mayor's Office it is proposed that this PERS option be offered to classifications where positions, if vacated, could either remain unfilled or could be refilled at a lower level. The cost will vary depending upon the employees that exercise the option, however, the approximate individual cost would be in the range of \$10,000 to \$40,000 depending on the age, sex and annual salary of employees who retire during the window period. The retirement options would be paid by use of Agency assets that are held by PERS.

In response to an inquiry from Ms. Ong, Mr. Nybakken indicated that several employees have filed applications for retirement, however, since the applications can be withdrawn until the retirement goes into effect, it is not known at this time if layoffs can be averted. He indicated that a list of the individuals who have applied for retirement will be faxed to the Commissioners, however, this is confidential information.

ADOPTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 105-93 BE ADOPTED.

- (e) Robert Gamble, Deputy Executive Director, Finance, introduced item (e), the purpose of which is for consideration of the impact of the Mayor's 1993-94 budget. At the June 8, 1993 meeting a number of questions were raised regarding the addition of positions from the Mayor's Office to the Agency. One question raised was what are the existing skills, responsibilities and functions of the economic development group to be merged with the Agency and this information will be provided by Kent Sims of the Mayor's Office. A question was also raised on how will the present functions be integrated into the model proposed by the suggested organizational chart of this new economic analysis and policy group. Although this is addressed in part by the Mayor's letter to John Taylor, Clerk of the Board of Supervisors, dated June 11, 1993, requesting the budget amendment adding the positions, the final resolution of this question is appropriately addressed during Phase 2 of the strategic planning effort, in which re-organization of the Agency will be considered. There was also an inquiry as to how do the new economic and policy group's functions interface with the Agency's existing economic development staff and programs, such as Chinatown and 24th Street. This question is most appropriately addressed within the context of the strategic plan work to be accomplished in the coming months regarding organization to accomplish the mission described in Working Paper No. 3. The Commissioners have been provided with a budget update reflecting recent budget changes which reflect budget savings accomplished by contracting out relocation to be \$40,635 and the total savings indicated for

contracting out all of the functions as proposed by the Mayor is \$158,039. The Mayor's budget amendment was provided to the Commissioners on June 11, which modifies the budget approved by the Commission. This budget amendment has several direct impacts on the Agency's budget. The first impact is to add six positions in the area of economic development. The second impact is the change relating to housing whereby two Development Specialists and one Legal Secretary, which had previously been shown as funded by alternative sources of funding, were shifted to Agency sources of funding so that did not change the total number of positions at the Agency but it changes the way three housing positions were funded. The third change that occurred was a reduction in salaries for three personnel, those being the Senior Deputy Executive Director, the Deputy Executive Director for Finance and Agency General Counsel. The Commissioners have been provided with the Budget Analyst's report on the Agency's interim budget which summarizes the changes already explained and recommends approval of the interim budget. The interim budget is a continuation of prior years funding authorization for one month and it does not authorize new programs or any significant changes, however, it does authorize the new economic development positions which are the subject of the Mayor's amended budget request. The hearing on the interim budget by the Budget Committee of the Board of Supervisors will be held on June 16. In addition to the hearing on the interim budget, hearings on the full budget, as well as the City's budget, will take place during the last two weeks in June.

In response to an inquiry from Ms. Bolanos, Mr. Gamble indicated that the Legal Secretary is being put back in the budget and funded. In the case of the Data Processing Manager, a position is being lost, however, a layoff is being avoided by utilizing the vacant Financial Operations Manager position. Therefore, essentially this is a personnel decision rather than a budget decision that was made to fill a vacancy with the current incumbent in the Data Processing Manager position.

Ms. Bolanos noted that several weeks ago the Commission voted unanimously to oppose the contracting out of thirteen employees and to take a position before the Board of Supervisors.

MOTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT THE COMMISSION SUBMIT A LETTER TO THE BUDGET COMMITTEE OF THE BOARD OF SUPERVISORS STATING THE POSITION THE COMMISSION ADOPTED ON MAY 25, 1993, WHICH STATES THAT THE COMMISSION DOES NOT SUPPORT CONTRACTING OUT EMPLOYEES, PARTICULARLY AT 25 PERCENT LESS, IN LIGHT OF AN ADOPTION OF NEW POSITIONS AND SALARY INCREASES RESULTING FROM A MERGER OF THE MAYOR'S OFFICE OF ECONOMIC PLANNING AND DEVELOPMENT WITH THE AGENCY.

Commissioners Ong, Bolanos and King indicated they would attend the Budget Committee hearing on June 16.

Mr. Kouba inquired how the proposal contained in the June 11, 1993 letter complements or opposes the strategic planning process.

Mr. Kitahata indicated that he believes the proposal is in sync with the strategic planning process which is the future of the Agency in doing new projects and focusing itself as an implementation agency. Therefore new resources to identify new projects and to work on project implementation and development would be desirable. However, it goes further and deals with moving over the policy and analytical features of MOEPD so there appears to be an inconsistency because it has been endeavored to set up a design of policy with the Mayor's Office, implementation with the Agency and planning with the Planning Department. To move all the policy and implementation over to the Agency is not consistent with that design put forward in Working Paper No. 3. He indicated that with respect to the Mayor's letter dated June 11, 1993 to the Board of Supervisors, he did not agree with a number of structuring proposals submitted. It should be stated that the Commission does not accept this as a given and it is suggested that in the interim a sub-committee be appointed of the three Commissioners on the Strategic Planning Committee to work with staff to develop an interim structure in order to make a recommendation to the full Commission. However, it should be made clear that any permanent restructuring will be determined by the Commission and that will only occur following a public hearing process and completion of the strategic plan. It should also be stated that the Commission does not agree to downgrading of Agency staff salaries because this is part of the restructuring and therefore is inappropriate at this time.

Ms. Bolanos noted her concurrence with Mr. Kitahata's comments and indicated that the Agency's Mission Statement basically delineates what the Agency's function would be under the proposed strategic plan. It states that: "the Agency shall function primarily as an implementation agency. Agency roles shall be carried out in accordance with the City's General (Master) Plan and articulated public policies. Agency activities shall reflect the policy direction and priorities of the Mayor and Board of Supervisors. The Agency's implementation role shall include, but not be limited to financing, land acquisition and disposition, brokering of public-private partnerships, facilitating entrepreneurial development opportunities, and use of redevelopment tools, such as eminent domain, where necessary to carry out the Agency's development role on behalf of the City". A chart on page 6 of Working Paper No. 3 breaks down the functions and identifies the Agency as one of the implementation organizations so there is an inconsistency in that what is being proposed pertains basically to policy formulation and planning and so it is unclear how that is going to be merged with what is being proposed in the Strategic Plan. With regard to the new economic development staff, on May 25 the Commission took a very strong position that restructuring would not be accepted until completion of the Strategic Plan so it is important to be consistent with that position.

In response to an inquiry from Ms. Ong regarding downgraded salaries of three Agency senior staff, Mr. Gamble indicated that the question had been raised on how to integrate the existing salaries of individuals coming from the Mayor's Office and the Mayor's point of view was to bring Mr. Sims in at his current salary, as stated in the Mayor's budget, and to have that be the cap for all Agency salaries except for the Executive Director. Mr. Gamble indicated that he believed the general idea of the Mayor is that the general trend in the City is for reduction of salaries rather than maintenance of salaries, particularly at upper management level.

Frank Martin del Campo, representing United Public Employees Local 790, noted his concern that union members being laid off were told three weeks ago that it is not a question of budget, it is a question of wanting their positions out of the budget, and to now find another six jobs being put into the budget with corresponding salary increases is an insult to employees of over twenty years of service to the Agency who are being laid off or contracted out. The Union supports the Commission and believes there should be a comprehensive analysis, including all jobs, and if jobs have been determined to be not supportable in terms of analysis then the same analysis should apply to every job to make sure every job is justified. He indicated that this is not a careful well thought out process and it is not responsible government and responsible employers to make decisions in this manner.

Mr. Stern noted that these are not new positions being created, but existing positions at the Mayor's Office that have been funded previously. Mr. del Campo indicated that although this is not new money theoretically, City resources are being moved from one office to another, but the impact is still the same and as a labor representative he could not go back to his members and say there are six more jobs coming to the Agency but your job is eliminated because the funding source is the same, namely public funds. The African American workers of this Agency are having their wages and benefits cut while another part of the labor force is not, in fact it is increasing.

Kent Sims, Mayor's Office, indicated that the impact on the Agency's budget and other positions in the Agency by the proposed consolidation is zero. He noted that the current administration is in the process of dealing with a larger budget problem than has been seen in years and one of the ways the Mayor's Office is dealing with it is to try and consolidate similar functions in logical ways that give the citizens of San Francisco better value for their money. In consolidating the Office of Economic Planning and Development there were a number of choices and it could have consolidated with the Planning Department or some other department in city government. It chose to consolidate with the Agency because of a year long strategic planning effort which appeared to be going in a direction that would be productive. This activity has placed a large emphasis on implementation in the Redevelopment Agency, Planning and the

Planning Department and policy decisions in the Board of Supervisors and the Mayor's Office. The question of where the staff were on formulating the policy proposals on which those decision makers will make decisions is less clear and it seemed to the Mayor that this Agency might be a logical place to provide that staff support for policy formulation. If the Agency does not feel it is capable of playing that role then there are other possible homes in city government to play that role, including leaving the function in the Mayor's Office. The Mayor's strategy for the budget calls for one half the problem to be solved by reducing the number of employees, one quarter of the problem to be solved by increasing revenues, and one quarter of the problem to be solved by government efficiencies. Government efficiencies in this sense means either the reduction of the size of middle and upper management or the reduction of salaries of middle and upper management. What the Mayor proposes in the merger of his office of Economic Planning and Development with the Agency is entirely consistent with that budget strategy. The Mayor has acted, not only in consultation with his own staff represented on the Strategic Planning Committee, but in consultation with Supervisor Kennedy who represents the Board of Supervisors on the Strategic Planning Committee. If the Agency has been misunderstood or if its capacity to serve the City has been misunderstood then the Mayor needs to be told so he can either revise his thinking or take further steps to revise this Agency. It should be made clear that the Mayor's budget is a capped budget and that budget may be lowered by the Board of Supervisors but it may not be raised. If the Commission does not agree with the proposals the Mayor feels he has made in concert with the Agency's management and Commission then it is suggested the Mayor be approached and asked if he would reconsider revising what he has proposed to the Board of Supervisors.

The following persons spoke regarding item (e): Jo Anne Lawrence, International Federation of Professional and Technical Engineers Local 21; Mary Rogers, Western Addition resident; Pam Tebo, Agency employee; and Dwight Kinnard, P & K Trucking.

Ms. Lawrence noted her concurrence with Mr. del Campo's comments made earlier at the meeting and urged the Commission to continue their efforts and stand by decisions made previously.

Ms. Rogers indicated that staff are needed to take care of people's needs and staff reductions will contribute to deteriorating social conditions. She suggested flexible hours and retirement incentives be investigated.

Ms. Tebo expressed appreciation to the Commissioners for their efforts to save jobs and noted her concern at the 40 percent staff reduction proposed by the Mayor's Office when other City departments are being cut to a lesser degree.

Mr. Kinnard indicated that the City cannot afford to lose policemen and firemen and the workers from this Agency. In

addition, all management salaries should be cut to help with the budget crisis.

Following further extensive discussion, Mr. Kitahata made the following motion:

MOTION: WITH RESPECT TO THE MAYOR'S PROPOSAL TO MERGE THE MAYOR'S OFFICE OF ECONOMIC PLANNING AND DEVELOPMENT ("MOEPD") INTO THE REDEVELOPMENT AGENCY THAT: (1) THE AGENCY COMMISSION WELCOMES THE ADDITION OF ANY NEW RESOURCES TO THE AGENCY, BUT CANNOT BE BOUND BY, AND DOES NOT ACCEPT, THE RESTRUCTURING PROPOSALS THAT ACCOMPANY THE AGENCY'S BUDGET AMENDMENT DATED JUNE 11, 1993. THE AGENCY COMMISSION RETAINS FULL AUTHORITY OVER ALL RESTRUCTURING ISSUES SUCH AS HIRING, FIRING, JOB TITLES, RESPONSIBILITIES, REPORTING ASSIGNMENTS AND SALARIES. THE COMMISSION HAS ALREADY RESOLVED THAT ANY PERMANENT RESTRUCTURING WILL NOT OCCUR UNTIL AFTER ADOPTION OF THE AGENCY'S STRATEGIC PLAN. (2) THE COMMISSION HEREBY APPOINTS AN ADVISORY COMMITTEE CONSISTING OF THE COMMISSIONERS SERVING ON THE STRATEGIC PLANNING STEERING COMMITTEE (BOLANOS, KITAHATA AND STERN) TO WORK WITH STAFF TO DEVELOP AN INTERIM RESTRUCTURING PLAN FOR CONSIDERATION BY THE COMMISSION TO ACCOMMODATE NEW STAFF POSITIONS FROM THE MAYOR'S OFFICE. (3) THE COMMISSION REITERATES ITS PREVIOUS POSITION THAT ALL AGENCY SALARIES WILL BE "Y-RATED" SO THAT NO EMPLOYEE WILL SUFFER AN ARBITRARY REDUCTION IN SALARY BY REASON OF THE ADDITION OF ANY POSITIONS OF MOEPD.

UPON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Bolanos
Mr. King
Mr. Kitahata
Mr. Kouba
Ms. Ong
Mr. Stern

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE ACTING PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

Ms. Ong announced that there would be a brief recess. The meeting recessed at 5:45 p.m. and reconvened at 5:55 p.m. with the same roll call.

- (f) Ben Hattem, Agency Affirmative Officer, introduced item (f), a workshop, continued from April 27, 1993, the purpose of which is for consideration of staff recommendations to amend the Agency's Purchasing Policy with respect to Professional and Personal

Services Contracts. Additional changes have been made to the Agency's Purchasing Policy after review of suggestions made as a result of the April 27 workshop. It is staff recommendation that the proposed changes be adopted and consideration be given to appointing a working group of Commissioners, Agency staff and community representatives to review and make further recommendations for revisions. The Commissioners have been provided with a copy of notices which were mailed to 144 persons and organizations.

Ms. Ong indicated she did not understand why the Agency has not adopted the City's goals and decided to conduct an independent study when the City's goals appear to be significantly higher and Mr. Hattem indicated that the Agency has different practices from the City because nearly all services contracted for are different.

The following persons spoke regarding item (f): Mark Berkson, NERA; Ted Wang, Lawyers Committee for Civil Rights and Coalition for Economic Equity; Mary Rogers; Dwight Kinnard, P & K Trucking; Pete Lapid, Council of Asian American Business Associations (CAABA); Myles Stevens; Joe Gonzales; and Alonzo Douglas, Building Services Technicians.

Mr. Berkson responded to questions from Ms. Ong regarding the scope of work under the NERA contract, particularly with regard to geographical areas covered.

Mr. Wang summarized the Coalition's comments regarding the Agency's proposed policy which have been provided to the Commission. He noted that the Coalition is not pleased with NERA's goals and a program is needed that is defensible legally and maximizes opportunities for M/WBE's. He urged that a working group be formed and the Commission put a limit on how long discussions can take place. He suggested the group consist of two Commissioners, Agency staff, a minimum of five community representatives and a lawyer.

Ms. Rogers noted her concern regarding minority hiring in legal contracts and Ms. Ong indicated that a separate workshop on that subject would be held in the near future.

Mr. Kinnard noted his concern that nationwide minorities are put into a position where they cannot compete and the Commission should make a genuine effort for hiring goals.

Mr. Lapid noted his support of Mr. Wang's recommendation of a working group and indicated the Commissioners have been provided with a report from the CAABA on NERA's discrepancies.

Mr. Stevens noted his support of the Coalition's position.

Mr. Douglas noted his support of the Mr. Wang's comments and offered his firm as a participant on the proposed working group.

Following further discussion, the following motion was made:

MOTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT IT IS ESTABLISHED THAT IN PRESERVING THE SPIRIT OF PROMOTING ECONOMIC DEVELOPMENT OPPORTUNITIES CONSISTENT WITH REDEVELOPMENT FUNCTIONS, THE COMMISSION HEREBY RESOLVE TO: (1) ESTABLISH A WORKING GROUP CONSISTING OF TWO TO THREE COMMISSIONERS, SEVEN COMMUNITY REPRESENTATIVES AND APPROPRIATE STAFF TO RECOMMEND TO THE COMMISSION THE ADOPTION OF AN AFFIRMATIVE ACTION POLICY WHICH IS LEGALLY DEFENSIBLE WHILE MAXIMIZING M/WBE CONTRACTING OPPORTUNITIES NO LATER THAN NOVEMBER 1, 1993; AND (2) ADOPT AN INTERIM POLICY UTILIZING THE NERA STUDY WHICH WILL INCLUDE: (A) ADVERTISING OF ALL AGENCY OPPORTUNITIES OVER \$20,000 FOR AT LEAST THIRTY DAYS BEFORE PROPOSALS OR BIDS ARE DUE AND (B) ESTABLISHING A CERTIFICATION PROCESS WHICH WILL ASSURE A VERIFIABLE AND PROMPT VERIFICATION OF M/WBE STATUS.

David Madway, Agency General Counsel, indicated that it would be in order to make a motion to establish the working group but not to implement a program because it is not calendared as an agenda item.

MOTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT: (1) A WORKING GROUP BE APPOINTED CONSISTING OF TWO OR THREE COMMISSIONERS, SEVEN COMMUNITY REPRESENTATIVES AND APPROPRIATE STAFF TO RECOMMEND TO THE COMMISSION THE ADOPTION OF A PERMANENT AFFIRMATIVE ACTION POLICY; AND (2) AN ITEM BE CALENDARED IN THREE WEEKS TIME FOR ACTION ON AN INTERIM POLICY ALONG THE LINES OF ADOPTING THE NERA STUDY WITH THE PROPOSED AMENDMENTS MENTIONED EARLIER INCLUDING ADVERTISING OF ALL AGENCY OPPORTUNITIES OVER \$20,000 AT LEAST THIRTY DAYS BEFORE PROPOSALS AND BIDS AND ESTABLISHING A CERTIFICATE PROCESS THAT WILL ASSURE A VERIFIABLE AND PROMPT VERIFICATION OF M/WBE STATUS.

Mr. Kouba nominated Commissioners Ong and King to represent the Commission on the working group.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Board of Supervisors were to consider the Agency's Strategic Plan at its June 14, 1993 meeting. However, since the Agency has not had its public hearing on this matter, Supervisor Kennedy requested the Board reschedule the matter for July 12, 1993.
- (b) At the June 14 Board of Supervisors' meeting, Supervisor Hallinan introduced an ordinance to amend the Administrative Code Chapter 24 declaring the Board of Supervisors the Redevelopment Agency. This is being referred to the Government Efficiency Committee of the Board of Supervisors. Supervisors Hallinan, Kaufman and Leal are members of that Committee.

In response to an inquiry from Ms. Ong regarding how seriously this should be taken, Mr. Helfeld indicated that this proposal has been made a number of times over the years by a Supervisor.

Mr. King noted that this is the first time it has been referred to Committee and there is reason for concern.

- (c) The Executive Director will be attending a meeting in Sacramento on June 18 of the California Redevelopment Association regarding the adverse effect of the State budget on redevelopment agencies.
- (d) Mr. Gamble reported that the Agency will be selling approximately \$32 million of taxable bonds on June 16 and this is the first of a series of bond issues approved by the Commission earlier this year. Part of the purpose is to refund the Yerba Buena Center Liquidity Facilities Bonds which were originally sold in 1983 to purchase the site where the Marriott Hotel is now located. The Agency has been rated "A" again by rating agencies and an insurance commitment has been received for the bonds by FIGIC.

In response to an inquiry from Mr. Stern, Mr. Gamble indicated he would provide the Commission with a copy of comments made by the rating agencies, however, generally they saw a continued financial strength in the Agency's project areas and a good diversity of ownership when the project areas are considered as a group. This comes back to the question of merger because when looking at individual project areas there is not good diversity but staff was able to convince the rating agencies that they should consider them more as a group than individual areas.

- (e) In response to an inquiry from Mr. Kouba on what will be taking place prior to the hearing on the Strategic Plan before the Board of Supervisors on July 12, Mr. Helfeld indicated that the Commission and staff will be reviewing alternative structures of the Agency in light of the proposal to merge the Mayor's Office of Economic Planning and Development with the Agency.

Mr. Gamble noted that a hearing on the Strategic Plan is scheduled before the Commission for June 29 and it would be appropriate for the Commissioners to discuss this important document with the Supervisors and the issues that will be presented prior to the hearing before the Board on July 12. It should be noted that the issues of housing and economic development accompanied Working Paper No. 3 when it was distributed and the Commission's point of view on those issues should certainly be represented to the Supervisors.

Mr. Helfeld indicated the housing issue will be calendared for discussion at the June 22, 1993 meeting.

- (f) David Madway, Agency General Counsel, introduced law clerks, Vanessa Henlon and Walter Son.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Kitahata referred to staff memorandum on the Williams Building and noted his concern at the length of time until eventual demolition.

Mr. Helfeld indicated that the Williams Building process will be expedited as much as possible, however, good faith has to be shown to historic groups because many years ago the Agency Commission committed to saving a number of historic buildings in Yerba Buena Center, including the Williams Building.

- (b) Byron Rhett, Project Coordinator, Hunters Point, responded to questions from Commissioners Ong and Kitahata regarding the Hunters Point Shipyard proposed three year budget relative to consultant contracts.
- (e) Ms. Ong noted that congratulations are in order to Mr. King who is to receive an award as an honorary member of the Black Chamber of Commerce.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) In response to an inquiry from Mary Rogers, Ms. Ong indicated that the Hunters Point and Western Addition Task Forces were appointed by the Mayor at the request of the community to allocate economic development funds.

Ms. Rogers noted her concern that it is difficult to get a hearing before the Task Force.

- (b) Dwight Kinnard, P & K Trucking, indicated he would like to see funds allocated to assist the Juneteenth Festival.

Acting President Ong announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is San Francisco Naval Shipyard and the entity the Agency may negotiate with is the United States Navy.

There will also be Closed Sessions pursuant to Government Code Section 54957 on Personnel and pursuant to Government Code Section 54956.9(b)(1) on the subject of litigation.

There is an additional Closed Session which arose subsequent to posting of the agenda on Friday, June 11, 1993. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a vote of five of the six Commission members is required to add this item.

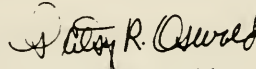
MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KOUBA AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS ITEM AROSE AFTER POSTING OF THE AGENDA ON JUNE 11, 1993.

This item is pursuant to Government Code Section 54957.7 to instruct the Agency's designated representatives for negotiations with represented employees.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Kouba, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations, Personnel, Litigation and Negotiations with Represented Employees. The meeting adjourned at 7:40 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

August 24, 1993

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
22ND DAY OF JUNE, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 22nd day of June, 1993, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Sonia S. Bolanos
Leroy King
Gary Kitahata
John Henry Kouba
Clarence R. Stern

and the following was absent:

None

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Charmaine Curtis, Catholic Charities; Sue Hestor; Joseph Kaufman; Steven Vettel, attorney for Loft Associates; Adele Santos; M. Paul Friedberg; Chico McMurtrie; Larry Andrews; Doug Hollis; Elena Branick, Staff Senior Architect; George Mix, Urban League, San Francisco; Lefty Gordon, Ella Hill Hutch Community Center; Coalition of Black Trade Unions; Shirley Jones, Young Community Developers; Jan Newton; Sandi Potter, Baseline; John Buss, Hampshire Properties; Jim Tanner, TLMS Architects; Alan Levy, ANS Architects; Al Norman, Al Norman Plumbing; and Austin J. Thompson, Bayview Hunters Point Foundation.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Session meetings of April 6, 26 and 27, 1993, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS - CONSENT AGENDA

At the request of Ms. Ong, item (a) was removed by the Consent Agenda and considered as a Regular Agenda item.

THE ITEM LISTED HEREUNDER CONSTITUTES A CONSENT AGENDA, IS CONSIDERED TO BE ROUTINE BY THE AGENCY AND WAS VOTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (b) Authorizing an Amendment to the Memorandum of Agreement with International Federation of Professional and Technical Engineers Local 21 to extend the term through August 30, 1993.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM (a), RESOLUTION NUMBER, 107-93, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Predevelopment Loan Agreement for \$75,000 with Mercy Family Housing California to pay for predevelopment expenses related to the development of affordable family rental housing at 1035 Folsom Street in the South of Market Earthquake Recovery Redevelopment Project Area as part of the Citywide Tax Increment Housing Program. Mercy Family Housing California (Developer), a collaboration between Mercy Housing, Inc. and Catholic Charities Archdiocese of San Francisco, is proposing to develop 50 units of affordable family rental housing for very low and low income households. In April 1993, the Commission approved a funding commitment of \$2.710 million for the project and an application has been made for low income housing tax credits. The requested \$75,000 predevelopment funding has been approved by the Citywide Housing Loan Committee with the condition that only \$25,000 be disbursed before the Developer receives a tax credit allocation. The predevelopment funds are needed so that the Developer can perform due diligence activities prior to purchasing the property.

Ms. Ong indicated that several months ago the Commission expressed concern regarding the ethnic composition of the Board of Directors of Catholic Charities.

Charmaine Curtis, Catholic Charities, indicated that a new organization is being formed and there will be minority participation on the board, however, it has not yet been formed. The ethnic composition of the Catholic Charities Board has not changed significantly, however, information would have been made available if it had been known this issue would be raised.

Mr. Helfeld indicated he would like an opportunity to report back to the Commission later in the meeting.

- (c) Philip Westergaard, Real Estate Development Specialist, introduced item (c), which requests authorization of Exclusive Negotiations for a period of 180 days with a Joint Venture to be formed and composed of Marc Facio and S. Osborn Erickson for the development of residential condominium and retail uses on Parcel 714-A(2) located at the northwest corner of Van Ness Avenue and Myrtle Street in the Western Addition A-2. Out of five responses

received to a Request for Expression of Interest issued to develop the site with market-rate housing above ground floor commercial, only two proposals from Marc Facio and Urban Homes were responsive. The two developers were requested to refine their proposals in order for staff to make a recommendation and the Commissioners have been provided with an evaluation summary of both development proposals. After evaluation, the selection of Marc Facio and his partner S. Osborn Erickson is recommended based on their proven ability to obtain financing in a difficult financial market, their development experience and financial strength, and because of the number of units they propose to construct on the site. The recommended development team proposes a 130-foot high residential building consisting of 66 loft-type units and approximately 4,500 square feet of ground level commercial space with required parking. The developers were informed that the Agency's policy requiring a minimum of 40 percent affordable residential units was being waived in this instance, that the fair market value of the site was \$1.920 million, and that proceeds of the sale would be used to produce affordable housing elsewhere in the project area.

In response to an inquiry from Mr. Kouba, Mr. Westergaard indicated that a Joint Venture Agreement must be executed before expiration of the exclusive negotiations period.

In response to an inquiry from Mr. Stern, Mr. Westergaard indicated that the loft-type units are highly marketable compared to regular condominiums.

An extensive discussion ensued between the Commissioners and staff regarding density, parking, height, the land cost in relation to the selling price of the units and waiving of the affordable housing requirement.

The following persons spoke regarding item (c): Sue Hestor; Joseph Kaufman; and Steven Vettel, attorney for Loft Associates.

Ms. Hestor noted her concern that there has not been outreach and discussions with the community that are monitoring the Van Ness corridor. She further noted her concern regarding the density of the project on such a small site and indicated she would like City Planning to calculate the square footage. She requested that no action be taken at this time.

Mr. Kaufman noted his concern that the 40 percent affordable housing requirement is being waived and that there is no regard as to how the Tenderloin will be affected. He requested the proposal be rejected.

Mr. Vettel indicated that he believed the density calculations are the same as City Planning who stipulated this type of development should be on Van Ness. In addition, the Redevelopment Plan permits a greater density than allowed by City Planning and there will be an opportunity to look at design issues when the Land Disposition Agreement comes before the

Commission. The units are moderately priced and waiving of the affordable housing requirement is relative to land price which would have to be lowered if it were included.

Mr. Kitahata noted that with respect to public comment, the Tenderloin is not a redevelopment project area and the Mayor has indicated he does not want the Redevelopment Agency to develop affordable housing in other than redevelopment project areas. He indicated that this site is part of the Van Ness corridor study and should be dense and that he would like staff to expedite this development.

Mr. Stern indicated that Van Ness is a good transportation corridor and that is one of the reasons City Planning favors high density projects.

Commissioners Ong and King noted their concern regarding the density of the project and that there should be an opportunity for more public input.

Mr. Helfeld indicated that he was startled by Ms. Hestor saying this proposal was sprung on her, as it has been discussed a number of times. This the first time staff has heard from the Tenderloin group.

Mr. Kitahata suggested a public hearing and action in the near future and that staff report be sharpened up.

RULE OF THE CHAIR: MS. ONG INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (c), RESOLUTION NO. 108-93, WOULD BE CONTINUED. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (a) (Continued): William Rumpf, Chief, Housing Production and Management, read a letter to Catholic Charities from the Agency regarding the composition of the Board of Directors. He indicated that this matter has been discussed by telephone and when this new project came up changes have been made and there will be minority participation on the new board which will be officially incorporated on July 1.

Ms. Bolanos indicated that Catholic Charities has been funded on many occasions and requested a letter be sent on behalf of the Commission conveying strongly that there needs to be minority participation on the new board in order to represent the constituents they serve.

Ms. Curtis noted that Catholic Charities will not control the new organization.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 106-93 BE ADOPTED, SUBJECT TO FURTHER INFORMATION BEING RECEIVED ON THE ETHNIC COMPOSITION OF THE NEW BOARD OF DIRECTORS.

- (d) Thomas Conrad, Chief, Planning and Programming, introduced item (d), which requests authorization of an Agreement for Professional Services with Terry A. Hayes Associates for preparation of an Environmental Impact Report for the South of Market Earthquake Recovery Redevelopment Project Area. This agreement would permit the Agency to proceed with the proposed Plan Amendment and comply with the necessary environmental analysis and documentation for the project area, the formation of which was approved in June 1990 by the Board of Supervisors as a result of the October 1989 Loma Prieta Earthquake. The Redevelopment Plan was adopted solely to repair, restore, and/or replace buildings and physical infrastructure damaged by the earthquake and to provide economic development assistance to neighborhood-serving businesses and related establishments impacted by the disaster. An amendment to the Redevelopment Plan is now proposed for the purpose of: annexing additional land to the Project Area; modifying the earthquake recovery Redevelopment Plan to convert it to a more conventional Redevelopment Plan; and expand the Agency's revitalization efforts beyond just those earthquake damaged properties within the Project Area. The proposed Plan Amendment necessitates full environmental analysis and preparation of an Environmental Impact Report in compliance with the California Environmental Quality Act (CEQA). A Request for Qualifications process was followed seeking minority and woman-owned environmental consulting firms, which resulted in the selection of Terry A. Hayes Associates, an African American owned firm. Its team was selected based on high level of qualifications, experience and diversity, providing a full complement of minority and woman-owned business enterprises. The Commissioners have been provided with information on the sub-consultants that comprise the team which indicates minority and woman-owned business enterprise participation for the project is 100 percent. Representatives of five of the six firms are present.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 109-93 BE ADOPTED.

- (e) Thomas Conrad, Chief, Planning and Programming, introduced item (e), which requests authorization to proceed with preliminary actions necessary to undertake a merger of seven existing Redevelopment Project Areas into one Project Area. This action will make official the Agency's intent to pursue this merger of projects, the concept of which started five years ago as a means of enhancing the Agency's abilities to implement existing Redevelopment Plans as well as to provide for potential future redevelopment project activity which can be of significant benefit to the City and County of San Francisco. The need to improve the Agency's financing capability to implement its stated development programs within its redevelopment project areas as well as throughout the City and County has become more critical because of dwindling traditional Federal and State funding resources. The Agency's programs in recent years have been funded, for the most part, from land sales proceeds on Agency-owned real property. The basic purpose of a project

merger is to create financial resources for redevelopment and affordable housing development and to access such additional financial resources through the collective use of tax increments that are generated within all the project areas merged for use in any of the project areas. Benefits of the merger are: continued implementation of existing projects which may have or will have fiscal shortfalls; permit expanded redevelopment activities in existing projects; provide financing support for implementing expanded existing project activities or new redevelopment projects areas; and provision of a fund for the development of low- and moderate-income housing. Preliminary actions to accomplish the merger include: preparation of an Environmental Initial Study, which will lead to a Negative Declaration; a Preliminary Report detailing the purposes for the merger; and a Notice of Intent to Merge will be sent to the California Housing and Community Development Department and to all of the taxing agencies. One of the criteria for a project merger is a requirement that the redevelopment plans for the project areas proposed to be merged already contain tax increment provisions as part of its financing methods for implementing the objectives of the plans and this provision is met by the seven existing project areas it is proposed to merge. The project areas are: Golden Gateway; Western Addition A-2; Hunters Point; India Basin Industrial Park; Yerba Buena Center; Rincon Point-South Beach; and South of Market Redevelopment Project Areas. In the event the Agency desires to merge redevelopment project areas that do not contain tax increment financing provisions within their redevelopment plans, those plans must first be amended to include said tax increment provisions. Because of the complexity of the project merger process, it is suggested a workshop be calendared to provide information on the project merger concept and its potential benefits.

In response to an inquiry from Mr. Kitahata, Mr. Conrad indicated that the next step would be a public hearing to take testimony on the merger itself and the Redevelopment Plan amendments and then action. The process will take five to six months in order to have community outreach.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 110-93 BE ADOPTED.

- (f) Helen Sause, Project Director, Yerba Buena Center, introduced item (f), which requests approval of an amendment to the Agency's 1992-1993 budget to modify the use of \$50,000 allocated to the Mexican Museum (Museum) and authorizing a Grant Agreement in an amount of \$50,000 with the Mexican Museum in connection with Yerba Buena Center. During last year's budget process, at the request of a member of the Board of Supervisors, \$50,000 was included in the Yerba Buena Center budget to assist the Museum in the rental of an interim facility in the Yerba Buena area. Subsequently, when a site was identified, the Museum indicated a more appropriate use for the funds would be for predevelopment and architectural costs associated with the Museum's new building in Yerba Buena Center.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 111-93 BE ADOPTED.

- (g) Helen Sause, Project Director, Yerba Buena Center, introduced item (g), a workshop, the purpose of which is to provide information on the progress of Preliminary Construction Documents for the Children's Place on Central Block 3 (CB-3) in Yerba Buena Center. The Preliminary Construction Documents for the CB-3 buildings and Garden are now well advanced and are based on the Schematic Design approved in December 1992, subject to the resolution of a number of design concerns. The designers will present proposed resolutions to those concerns as well as report on the overall progress of design development. It is proposed to schedule another workshop to review the completed Preliminary Construction Documents prior to requesting Commission approval.

William Carney, Senior Landscape Architect, introduced the designers, artists and groups that have assisted in the process. He described the design concerns still to be resolved and noted that it is expected the completed Preliminary Construction Documents will be before the Commission in August or September.

Adele Santos, Architect, and M. Paul Friedberg, Landscape Architect, made design presentations and described modifications to the PCD's made in response to design concerns raised.

Mr. Carney introduced Chico McMurtrie, Sculptor; Larry Andrews, Video Artist; and Doug Hollis, Environmental Artist, and Mr. Andrews made a short video presentation.

REPORT OF THE PRESIDENT

- (a) Ms. Ong noted that a Search Committee, consisting of Commissioners Stern, Kitahata and Kouba, has been appointed in connection with the search for a new executive director.
- (b) A Restructuring Sub-Committee of the Commissioners who serve on the Strategic Planning Steering Committee has been appointed because the restructuring will be done in conjunction with the Strategic Plan.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Agency's interim Budget and full Budget will be before the Board of Supervisors' Budget Committee on June 23.
- (b) There has been a significant improvement with regard to the Agency's budget in that only one person will be laid off. It was planned to lay off two architects at the end of the year, however, in light of the presentation on the Children's Center, if funding goes ahead, those architects will be needed.

- (c) An ordinance introduced by Supervisor Hallinan to amend the Administrative Code Chapter 24 declaring the Board of Supervisors the Redevelopment Agency has not yet been calendared for consideration by the Government Efficiency Committee. The Commission will be kept advised of developments.
- (d) Seven Supervisors have indicated they are in favor of the zero coupon bond legislation.
- (e) Mayor Jordan has appointed Leslie Tang Schilling to the Redevelopment Agency Commission. Her confirmation by the Board of Supervisors, after approval of the Rules Committee, should be in the near future.
- (f) The Commissioners have been provided with a letter from Raymond Colmenar of the South of Market Problem Solving Council regarding the Strategic Plan which states the issues very well.
- (g) The Commissioners have been provided with Quarterly Reports on the Agency's Economic Service Providers.

Ms. Ong noted that the economic service providers have a proliferation of funding from various organizations and that she had been asked to meet with Larry Del Carlo and Anthony Lincoln of the Mayor's Office to discuss funding for the economic service providers and reporting responsibilities.

Ms. Bolanos requested that for clarification staff report on funding sources and who will be reporting to whom before discussing a relationship with Mr. Del Carlo. She further requested information on the status of projects, such as 24th Street, and programs that may be moved to other agencies.

Mr. Kitahata requested a status report on the funding of service providers and Mr. Helfeld indicated he would report back next week.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) George Mix, Urban League, San Francisco; Lefty Gordon, Ella Hill Hutch Community Center; and Geraldine Johnson noted their concerns about staff layoffs, particularly African American women.

Ms. Ong indicated that the Commission wrote a letter to the Budget Committee of the Board of Supervisors strongly opposing layoffs and contracting out. The Mayor has now reversed his position and the jobs are now back in his proposed budget with the exception of the Second Floor Receptionist. That position is needed now that all other staff are back in place and with the transfer of economic development staff from the Mayor's Office.

At this time, 6:25 p.m., Ms. Ong left the meeting and turned the Chair over to Mr. King.

Mr. Gordon and Shirley Jones, Young Community Developers, indicated that their organizations would like to participate in the planning process for service providers at some point.

At this time, 6:30 p.m., Ms. Ong returned to the meeting and resumed the Chair.

Elena Branick, Senior Staff Architect, requested the two architects positions it is proposed to eliminate be reinstated. She noted that the Commission has been provided with a package showing the Architecture Department has been understaffed for five years and with Central Block 3 in Yerba Buena Center coming up, as well as development in the South of Market, the department will need these two positions.

Ms. Bolanos indicated that it is only fair, since the Commission has supported everyone else, that the letter to the Budget Committee should be amended to indicate that the Commission reserve the right to modify the architects positions in the future and to reinstate the position of the second floor Receptionist.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from Mr. Kitahata regarding the executive director search, David Madway, Agency General Counsel, indicated that the process of establishing criteria must be done in public, however, discussion of the qualification of particular candidates, based on their resumes, for example, would be appropriate for Closed Session discussion.
- (b) Mr. Kouba noted that he had been contacted by Claude Ganz, President of the Board of Directors of the Jewish Museum, and there seems to be some confusion about what was resolved at the June 15 meeting with respect to Parcel EB-2C in Yerba Buena Center.

Helen Sause, Project Director, Yerba Buena Center, indicated that the resolution determining the land use for EB-2C was formulated after listening to the tape recording of the June 8 meeting and it provides for the parcel to be offered for development of housing or a hotel, which may include a museum use. Based upon listening to the tape recording on the non-binding Memorandum of Understanding (MOU) with the Jewish Museum, the resolution was formulated indicating that the MOU is site specific to EB-2C.

Mr. Kouba indicated that, since there appear to be different interpretations and an inconsistency between the two resolutions, he would like the matter calendared for public discussion.

Ms. Bolanos noted that there is a difference with this situation than with other museums because they were the developers and entered into Land Disposition Agreements. In the case of the Mexican Museum, the Agency was not site specific for some time and although she supports the Jewish Museum, there must be a process and flexibility.

Following further discussion, Ms. Sause indicated that a draft Request for Proposals (RFP) will be before the Commission for consideration on June 29, at which time there will be an opportunity for public discussion.

- (c) Ms. Ong requested clarification on the calendaring process for agenda items.

Mr. Helfeld indicated that traditionally the Executive Director sets the agenda and when the agenda goes out the Commissioners can pull items. The only time a problem arises is when one Commissioner wants an item on the agenda and others want it off, which is when four votes are needed to reach a decision. He indicated that this has only been occurring during the past six months and he would suggest the Commission establish a process.

David Madway, Agency General Counsel, indicated that if the Commission wishes to formalize a process, the tentative agenda could be prepared two weeks in advance so a vote can be taken a week prior to an item being calendared. An item may be placed on the agenda by a majority vote.

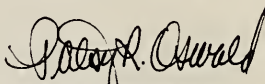
Acting President Ong announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is San Francisco Naval Shipyard and the entity the Agency may negotiate with is the United States Navy.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. Stern, seconded by Mr. King, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations and Personnel. The meeting adjourned at 7:10 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

August 31, 1993

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
29TH DAY OF JUNE, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 29th day of June, 1993, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Sonia S. Bolanos
Leroy King
Gary Kitahata
Jon Henry Kouba

and the following was absent:

Clarence R. Stern (Arrived 4:10 p.m.)

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Amelita Pasqual, South of Market Foundation; Dwight Kinnard, P & K Trucking; Mary Rogers; Jim Lazarus, Mayor's Chief of Staff; Felix Warburg, Bush Street Synagogue Cultural Center; David Schwartz and Aileen Hernandez, Strategic Planning Consultants; Joan San Jule, San Francisco Planning and Urban Research Association (SPUR); Richard Yonge, San Francisco Chamber of Commerce; Yori Wada, Nihonmachi Development Corporation; Raymond Colmenar, South of Market Problem Solving Council (SOMPSC); Rene Cazanave, Council of Community Housing Organizations (CCHO); Al Borvice, Community Housing Developer; John Elberling, TODCO; Rose Marie Fernandez, Children's Place, Yerba Buena Center; Herb Lembcke, Embarcadero Center; Richard Moss, Potrero Hill Booster & Merchants Association; Robert Upton, St. Francis Place; Shirley and Charles Weiss; Philip Aarons, Lincoln Metrocenter Partners; David Dial Center for the Arts; Linda Stein, Executive Director, Jewish Museum; Supervisor Barbara Kaufman; T.J. Anthony, Aide to Supervisor Kaufman; John Buss and Redmond Kernan, Hampshire Properties; Donald Cahen, attorney for the Jewish Museum; Morris Phillips, Fillmore Market Place Associates; Sy Allan, Southeast Economic Development Group; Hal Kaufman; Karen Carr; Ira Jay Mitchell, Imax Corporation; Richard Wilson; Steve Heeley, Simco Group; James Fang, Mayor's Office of Economic Planning and Development; Alan Wong, Byrant Wong and Dedi Rusali, Asian, Inc.

Representing the press were: Gerald Adams, San Francisco Examiner; and John King, San Francisco Chronicle.

NEW BUSINESS- CONSENT AGENDA

Minutes of a Regular Meeting, June 29, 1993

At the request of Mr. King item (b) was removed from the Consent Agenda and considered as a regular item.

At the request of Mr. Kitahata, item (e) was removed from the Consent Agenda and considered as a regular item.

At the request of Ms. Ong, item (f) was removed from the Consent Agenda and considered as a regular item.

At the request of Ms. Bolanos, item (i) was removed from the Consent Agenda and considered as a regular item.

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing a Ninth Amendment which revises the Performance Schedule and extends the Absolute Conveyance Date of the Agreement for Disposition of Land for development with Sprincin Development Partners IX for Parcels 779-B and C located in the block bounded by Fulton, McAllister, Fillmore and Steiner Streets; Western Addition A-2.
- (d) Authorizing a Grant Agreement to provide funding in an amount not to exceed \$15,500 to the Sixth Street Merchants and Residents Association to pay for rent, utility and other operational costs for space in the Pontiac Hotel at 138 Sixth Street; South of Market.
- (g) Authorizing a Personal Services Contract for \$90,000 with Asian, Inc. to provide business development, technical and financial assistance for the Chinatown Working Capital Loan Program as part of the approved Chinatown Economic Development Program.
- (h) Authorizing a Letter Agreement to provide the services of an employee in connection with the Agency's administration of the Mayor's Office of Special Projects.

ADOPTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a), (d), (g), AND (h), RESOLUTION NUMBERS 112-93, 115-93, 118-93 AND 119-93 BE ADOPTED.

Mr. Stern arrived at this time, 4:10 p.m.

NEW BUSINESS - REGULAR AGENDA

- (b) Darby Kremers, Senior Real Estate Development Specialist, introduced item (b), which requests authorization of Exclusive Negotiations with Steven L. Tate and Janice R. Trapp for the rehabilitation of 1866 Turk Street in Western Addition A-2. One bid was received in response to Rehabilitation Offering No. 27 for rehabilitation of this single family home, constructed in 1910, which was occupied by Mary Rogers, a long time Western Addition resident, until March 1993. A minimum bid of \$100,000

was established and the bid received was for \$130,000. The Rehabilitation Offering was structured to give certificate holders preferential bidding status. Although two certificate holders were among the five that purchased developer's packets, the bid received was not from a certificate holder.

In response to an inquiry from Mr. King, Ms. Kremers indicated that Mr. Tate and Ms. Trapp were unable to attend the meeting due to work commitments and Mr. King requested this item be continued for one week to provide an opportunity for the bidders to appear before the Commission.

Mary Rogers noted her concern that the minimum bid had been represented to her as \$175,000, not \$100,000.

RULE OF THE CHAIR: MS. ONG INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (b), RESOLUTION NO. 113-93 WOULD BE CONTINUED TO THE MEETING OF JULY 6, 1993. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (e) Michael Kaplan, Project Coordinator, South of Market, introduced item (e), which requests authorization of a First Amendment to the contract with South of Market Foundation for an eight month extension of SoMa Steam Clean in an amount not to exceed \$40,500 in connection with the South of Market. In June 1992, a contract was entered into with the South of Market Foundation to operate SoMa Steam Clean from July 1992 through June 1993. SoMa Steam Clean has been successful in obtaining a number of independent contracts in its efforts to achieve self-sufficiency, but requires gap funding through January 1994, at which time it will no longer require Agency subsidy. By employing only formerly homeless and chronically unemployed residents of the South of Market, the program benefits the project area, not only by cleaning the sidewalks and storefronts, but by training and employing a significantly underserved segment of the community.

Mr. Kitahata noted his support of the program, however, he indicated he would like to see more direct marketing efforts to secure candidates who will help make SoMa Steam Clean self-sufficient by the targetted date of January 1994 as he had met someone from Catholic Charities who did not know of the service.

Amelita Pasqual, South of Market Foundation, indicated that the Foundation did market the program to the Tenderloin Neighborhood Association, which is the local neighborhood group.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 116-93 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization of an extension of the Exclusive Negotiations period, until February 2, 1994, of the Agreement to Negotiate Exclusively with The GAP, Inc. for the development of Site C-1 located in the block bounded

by the Right-of-Way of the recently removed Embarcadero Freeway, Steuart, Folsom and Spear Streets; Rincon Point-South Beach.

Ms. Ong noted her conflict of interest because of her affiliation with the State Attorney General's Office who represent Caltrans.

ADOPTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED, WITH MS. ONG ABSTAINING, THAT RESOLUTION NO. 117-93 BE ADOPTED.

- (i) James Nybakken, Administrative Services Officer, introduced item (i), which requests authorization to amend Resolution No. 100-92 to add certain classifications in connection with the Mayor's Office of Economic Planning and Development (MOEPD). It is anticipated MOEPD will be merged with the Agency effective July 1, 1993. Pending completion of a salary and classification study for these positions, an amendment to the Agency's Salary Resolution is proposed to add certain staff associate classifications with an appropriate range of salaries.

Ms. Bolanos inquired regarding the status of the salary and classification study and Mr. Nybakken indicated that it had been decided to delay this matter until completion of the Strategic Plan, however, most classifications would not change significantly.

Mr. King noted his concern that the Commission has passed motions opposing restructuring until completion of the Strategic Plan and yet staff continues to go forward with a program the Commission has not approved.

Mr. Helfeld indicated that on June 28 the Board of Supervisors approved the Agency's Interim Budget, which included these positions, and Commission approval is now being requested to establish them.

Mr. Kouba indicated he would vote in favor of this item with the understanding that it is an interim measure only until the Commission sets up a permanent restructuring under the Strategic Plan.

In response to an inquiry from Ms. Ong, Mr. Helfeld indicated that the Commissioners will be provided with job descriptions of the MOEPD staff which have been prepared by the Mayor's Office.

Dwight Kinnard, P & K Trucking, indicated that in the event MOEPD is merged with the Agency he hoped wise use would be made of their time and it will be money well spent.

Ms. Ong indicated that this is something that will be considered by the Strategic Plan because it will determine how these positions will be used and the Commission will make sure the tax payers money is well spent.

In response to an inquiry from Mr. Kinnard, Ms. Ong indicated that MOEPD will be merged into the Agency and the Executive Director and the Commission will remain in control of the Agency.

Jim Lazarus, Mayor's Chief of Staff, indicated that the Mayor's budget proposal is to merge functions and he would urge the Commission to accept this proposal on an interim basis.

Mr. Kouba indicated that MOEPD has been a key player in Hunters Point Naval Shipyard, a project which has the potential for economic stimulus in years to come.

ADOPTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 120-93 BE ADOPTED.

- (i) (2) Judy Eng, Real Estate Development Specialist, introduced item (i) (2), which requests authorization of a Fourth Amendment which revises the Schedule of Performance and further extends the Absolute Conveyance Date under the Agreement for Disposition of Land for development with the Bush Street Synagogue Cultural Center for the rehabilitation of 1881 Bush Street and development of the adjacent parcel located at the southeast corner of Bush and Laguna Streets; Western Addition A-2. The proposed Fourth Amendment would extend the LDA performance schedule to permit time to complete a financial feasibility study of the development which is presently underway. The revised performance schedule extends the date for submission of evidence of financing to September 15, 1993 and the absolute conveyance date to October 15, 1993.

Felix Warburg, representing the Developer, requested approval of item (i) (2).

In response to an inquiry from Mr. Kouba, Mr. Warburg indicated that the deadline established by staff for submission of the feasibility study is August 20, 1993.

In response to an inquiry from Ms. Ong, Mr. Warburg indicated that a willingness had been indicated to work with the Korean group that appeared before the Commission or any other non-profits who are interested in participating.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 114-93 BE ADOPTED.

- (j) David Schwartz, Strategic Planning Consultant, introduced item (j), the purpose of which is for consideration of Working Paper No. 3 of the Agency's Strategic Plan and described the process that has taken place to date.

Robert Gamble, Deputy Executive Director, Finance, summarized the strategic planning process and the participants.

Mr. Helfeld summarized the proposed Agency Mission Statement and development roles.

Mr. Kitahata, Chair of the Strategic Planning Steering Committee, summarized proposed Agency goals and objectives.

Aileen Hernandez, Strategic Planning Consultant, summarized the focus group participation process.

The following persons spoke regarding item (j): Joan San Jule, San Francisco Planning and Urban Research Association (SPUR); Richard Yonge, San Francisco Chamber of Commerce; Yori Wada, Nihonmachi Development Corporation; Raymond Colmenar, South of Market Problem Solving Problem Council (SOMPSC); Rene Cazanave, Council of Community Housing Organizations (CCHO); Al Borvice, Community Housing Developer; John Elberling, TODCO; Rose Marie Fernandez, Children's Place, Yerba Buena Center; Herb Lembecke, Embarcadero Center; Richard Moss, Potrero Hill Booster and Merchants Association; and Robert Upton, St. Francis Place.

Ms. San Jule indicated that SPUR supports: the Agency continuing as a separate and direct entity; the Agency's new emphasis on public participation and communications with its clients in the neighborhoods; a conservative version of a redefined, more focused mission for the Agency; and continuing emphasis on providing employment and housing opportunities for low-income and minority residents of the City. However, SPUR does not support re-opening of the Golden Gateway Redevelopment Project Area for tax increment generation or the merger of all project areas to pool tax increment at this time.

Mr. Yonge indicated the Chamber cannot currently support Working Paper No. 3 or the Mayor's proposal to shift housing and economic development functions between the Mayor's Office and the Agency because the Chamber has not had enough time or sufficient information to take a position.

Mr. Wada noted his concern regarding the Agency's ability to develop a consensus for neighborhood revitalization and suggested the Mayor's Office of Housing should only be responsible for new affordable housing outside redevelopment project areas.

Mr. Colmenar indicated that, in general, the proposed Agency mission, goals, and objectives are worthy of pursuing and are consistent with the community's interest in revitalizing the South of Market area, however, there are some concerns regarding the Agency's emphasis as it carries out its proposed expanded mission and its implications for programmatic decision making. It is hoped the Agency in carrying out its mission avoids the temptation of making programmatic decisions based strictly on short-sighted fiscal analyses because it is important not to lose sight of the fundamental purpose of redevelopment which is to address issues related to poverty.

Mr. Cazanave noted his concern that the Agency's "super ambitious" roles will divert Agency resources from housing development. He indicated that major pieces of unfinished business the Agency should focus on are: development of major new

housing, employment and economic development programs in the Western Addition; effective completion of the Fillmore Center; and housing rehabilitation in the South of Market area. He noted his concern regarding the high level planning, versus community-based planning, approach to the Northeast Mission Industrial Zone.

Mr. Borvice noted his concern that the proposed Agency mission is very ambitious. He suggested that the Agency should be a public facilitator for development rather than the City's public developer and that the Agency needs to come up with additional financing mechanisms to energize public/private partnerships.

Mr. Elberling noted his endorsement of the Mayor's proposal to streamline housing and economic development functions. He suggested that: the Agency needs to clearly understand its goals as the City's builder in terms of both physical development and human development; that the Agency's multi-disciplinary capacity is what is needed to reduce the balkanization of City staff; there is a need for strong policy emphasis on both the affirmative action and disadvantaged business enterprise aspects of employment in Yerba Buena Center; and there is a need for detailed, 5- to 10-year project completion plans for both the Western Addition and Hunters Point Project Areas. He complimented the Agency on how well Yerba Buena Center is turning out, in both human and development terms.

Ms. Fernandez noted her support of Agency involvement in the Moscone Center rehabilitation and the development of the Children's Place in Yerba Buena Center. She indicated she would encourage the Agency to develop more recreational areas for children, for example, the old Mission and Eureka Playgrounds.

Mr. Lembcke suggested careful definition of the Agency's mission commensurate with its level of resources and indicated he would encourage the Agency and the City to do everything it can to support UCSF expansion and biotech industry development in San Francisco.

Mr. Moss indicated that the Agency needs to carefully define its process for seeking broad public consensus and neighborhood concurrence for any of the 11 "candidate" projects in Working Paper No. 3. He noted his concern that Working Paper No. 3 understates the potential for developing an environmental clean-up industry in the Hunters Point area. He indicated that the Agency should not be involved in the development of Mission Bay, the Terminal Separator or Treasure Island unless it is committed to comparable efforts for neighborhood revitalization. In addition, the Agency should not limit revitalization to the eastern half of the City.

Mr. Upton indicated he would encourage the Agency to serve as a catalyst for housing development in the South of Market area.

Ms. Ong indicated that there will be a public hearing on the Strategic Plan before the Board of Supervisors on July 12.

Mr. Kitahata indicated that thought needs to be given to projects from which the Agency can make money and to identify items that the Agency will be doing immediately.

Ms. Bolanos indicated that before there is an implementation plan, the comments made today need to be taken into consideration and the Strategic Plan revised.

- (k) Helen Sause, Project Director, Yerba Buena Center, introduced item (k), the purpose of which is for a presentation of development proposals by Lincoln Metrocenter Partners and the Yerba Buena Entertainment Partners for the Central Block 2 (CB-2) Entertainment/Retail Parcel in the Yerba Buena Gardens of Yerba Buena Center. The Commissioners have been provided background information on the two development teams and with copies of the development proposals, which were presented to the Yerba Buena Marketing Alliance on June 24 and will be presented to the Yerba Buena Consortium on July 9. Concurrently with the presentation schedule, staff and consultants are proceeding with a detailed analysis of the proposals, following which interviews will be scheduled with each team. It is anticipated a selection recommendation will be made to the Commission during the first week in August.

Representatives of Lincoln Metrocenter Partners and Yerba Buena Entertainment Partnership made presentations of their proposals.

Mr. Kitahata indicated he was encouraged by the fact there are two excellent groups working on proposals and he would like an emphasis on local enterprises for retail and food. He further indicated that with regard to the restaurants he would like to encourage a mall like element with fast and cheap eating establishments that cater to people with small children and a place to park a stroller.

In response to an inquiry from Mr. Kouba, Philip Aarons, Lincoln Metrocenter Partners, indicated that 46,000 square feet is reserved for local tenants with a focus on M/WBE's.

Mr. Stern inquired regarding providing local tenants with financing and Mr. Aarons indicated that it is proposed to set up a fund for leasehold improvements.

Ms. Sause introduced Professor Charles Weiss and his wife from North Carolina who are very interested in the Yerba Buena Center project.

Acting President Ong announced that there would be a brief recess. The meeting recessed at 7:15 p.m. and reconvened at 7:20 p.m. with the same roll call.

- (1) Helen Sause, Project Director, Yerba Buena Center, introduced item (1), which requests authorization of the purchase of Theatrical Draperies for \$133,600, a Computerized Event Ticketing System for \$71,795, Theatrical Rigging Equipment for \$64,297 and Theatrical Lighting Fixtures for \$263,296, totalling \$532,988, from the approved budget for Furnishings, Fixtures and Equipment (FF&E) for the Cultural Buildings in Yerba Buena Center. The FF&E purchase necessary to equip the Visual Arts Center (VAC) and the Yerba Buena Theater (YBT) were authorized in August 1992 and the process for expenditure of those funds and allocation of the funds by category of purchase was authorized in September 1992. The Center for the Arts, operators of the VAC and YBT, issued Requests for Proposals for the items, all of which have a long delivery time and are essential to the operations of the cultural buildings. Staff examined the potential for creating smaller packages, but concluded that the specialized and unique nature of the items required their being provided from single suppliers. After consulting with the Agency's Affirmative Action staff, the Center as part of the advertising and outreach effort, the RFP was listed in the City's Bid and Contract Opportunities publications which provided more outreach to the M/WBE community. The notice was also sent to approximately 50 agencies that are sources of assistance for M/WBE's. The Commissioners have been provided with a copy of the bid notice and the recipients. The requested action authorizes the first set of contracts over \$20,000 as required by the Purchasing Policy and Procedures of the Agency.

David Dial, Center for the Arts, noted the purchasing procedure followed for the FF&E items.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 121-93 BE ADOPTED.

- (m) Helen Sause, Project Director, Yerba Buena Center, introduced item (m), which requests authorization to issue a Request for Proposals (RFP) to prospective developers and approving advertising expenses in an amount not to exceed \$10,000 in connection with the offering for the development of Parcel East Block 2-C (EB-2C) located at the northeast corner of Third and Howard Streets in Yerba Buena Center. It is proposed to issue an RFP seeking hotel or residential development proposals, either of which may include the Jewish Museum. On June 8, 1993 a resolution was adopted which determined the appropriate land uses to be a hotel or housing which may include a museum use. At the same meeting, the Commission adopted a further resolution authorizing a non-binding Memorandum of Understanding (MOU) with the Jewish Museum relative to its desire for a museum with exhibition space in the development of the site. If the development proposal includes the Museum, it is believed it would be desirable to obtain input of the Museum in the selection of a developer and its architect and invite the Museum to participate in the design review process. The prospective developers will have 120 days after issuance of the RFP to submit proposals, which will be evaluated within thirty days. Since there will not

be a design competition for the proposed development, selection of an architect will be made during the exclusive negotiations period.

The following persons spoke regarding item (m): Linda Steinberg, Executive Director, Jewish Museum; Supervisor Barbara Kaufman; John Buss and Redmond Kernan, Hampshire Properties, Inc.; and T.J. Anthony, Aide to Supervisor Kaufman.

Ms. Steinberg read a statement by Claude Ganz into the record, a copy of which is attached hereto and made a part of these minutes.

Supervisor Kaufman indicated she would urge the Commission issue an RFP for both housing and a hotel to include a preference for the existence of the Jewish Museum. She noted that historically the Jewish community has always been involved in the arts, cultural and civic life of San Francisco and the City is the beneficiary of many contributions from prominent Jewish families. She indicated that the neighborhood is becoming a cultural center and it would be appropriate to acknowledge the contributions of the Jewish community by having the museum there.

John Buss and Redmond Kernan, Hampshire Properties, Inc. noted a number of concerns regarding the RFP that it was indicated will be submitted in writing.

Mr. Helfeld indicated there are at this point two issues which can be dealt with separately, one being the request from the Jewish Museum for a preference and the numerous concerns raised by the Hampshire Properties representatives about the RFP, which staff would like additional time to review.

Mr. Kouba indicated that there has been a great deal of progress and this is best stated in the letter from Mr. Ganz which indicates the Museum is willing to negotiate with either a hotel or housing developer as long as specified requirements are met. Mr. Ganz has come a long way in meeting the concerns of this Commission regarding whether it will be willing to share its space with a hotel or housing development and it is a very positive contribution.

Ms. Bolanos requested the Commissioners be provided with a copy of the RFP.

Mr. King indicated that there are two separate issues involved and the technical aspects of the RFP can be worked out at a later date, however, it appears he had been incorrect in his understanding that the Jewish Museum would be preferred in either a hotel or housing development. He indicated that his preference has always been for the Jewish Museum with housing.

Ms. Ong indicated that on June 22, the Commission by a majority vote adopted a resolution whereby there could be a hotel, a housing development, a hotel with a museum or a housing

development with a museum, so there were four options. Since that time Mr. Kouba has indicated that was not his understanding and requested the matter be revisited.

Mr. Kitahata indicated that as the author of the amendment to the resolution he would like to clarify that he had specifically indicated "may" rather than "shall" include a museum in order to have the broadest range of options possible. What Mr. Ganz is calling for is not a preference but a requirement to have the Jewish Museum with a hotel or housing development and it is not appropriate to require a specific use. He noted his support of the Jewish Museum but if it does not work out for EB-2C then another potential site is EB-2A.

In response to an inquiry from Ms. Bolanos, Ms. Sause indicated that there is nothing in the existing resolution that would preclude the Jewish Museum coming forward with a housing developer, however, the issue is that another developer may come forward without the Jewish Museum and there is no requirement that the Museum would be considered as a priority. The Agency may choose to take another developer and that is the Museum's concern. Ms. Bolanos noted that is an issue the Commission would entertain after they receive the RFP and it does not necessarily mean it would preclude the Museum.

Ms. Bolanos inquired if an RFP had been authorized in the past in Yerba Buena Center with limitations from an entity that is not a developer to limit the developer in terms of design and other areas such as Mr. Ganz is proposing and Mr. Madway indicated this had occurred with Griffin Related Properties relative to the California Historical Society.

In response to an inquiry from Ms. Bolanos, Ms. Sause indicated that it is her understanding the Jewish Museum wish in effect to be a condominium owner of their space and that they would participate in paying for that space and development costs.

Ms. Bolanos indicated that one of the concerns she had when voting on this resolution was that historically with other museums, including the Mexican Museum, a non-binding Memorandum of Understanding was entered into to locate in Yerba Buena Center without being site specific. The Commission wants to support the Jewish Museum locating in Yerba Buena Center and in this situation there are two sites available, EB-2A and EB-2C. A concern with 2A is it will not be available as early as 2C because of the issue of the Williams Building, however, if something happens with 2C, it would be preferable to have an assurance the Museum would receive assistance in locating on 2A.

In response to an inquiry from Ms. Bolanos, Ms. Sause indicated that 2C will move more quickly because it is not known how long negotiations with historic groups regarding the Williams Building will take, although it hoped to accomplish the process within a year or less.

Mr. Cahen indicated that the Museum is not looking upon itself as a space tenant, but as a co-owner in the project, presumably on a condominium basis depending on whatever a developer comes forward with, but certainly on an equal basis in ownership. In addition, an RFP that requires the Jewish Museum is not being requested, but an RFP that gives a preference. Discussions have not been held with the hotel representatives because, as indicated by Mr. Ganz, it would be presumptuous to move forward trying to develop a program with a developer that has not been selected.

Ms. Bolanos inquired if it would be possible for the Museum to joint venture with a housing developer and respond to the RFP. Mr. Cahen indicated that he is not in position to respond to that specific question and he does not know if the Museum is at this point, however, it is certainly within the grounds of possibility.

Mr. Kouba noted that with respect to EB-2A, he had spoken to Mr. Ganz who indicated that given the uncertainties of the site and the length of time it will take to resolve the issue of the Williams Building it is an unacceptable alternative for the Museum. With the use of the word preference, perhaps the Commission can reach a decision which is the one he thought was arrived at before. He suggested Mr. Madway compose a resolution so there are no further misunderstandings about what is resolved.

Mr. Kitahata indicated that Mr. Ganz had made it clear to him that he wanted the Museum to be a requirement, not a preference. Furthermore, the written statement from Mr. Ganz indicates "we would like the RFP language to state that the Jewish Museum will be there".

Mr. Madway indicated that it appears Mr. Cahen is making a proposal that the RFP state a preference will be afforded a proposer who comes forward with the Jewish Museum included. If, however, the proposer who comes forward with the Jewish Museum included is not acceptable, that is to say that proposal is of lower quality than a proposer who comes forward with a proposal that does not include the Jewish Museum, the Commission remain free to pick the proposal that does not include the Museum.

MOTION: IT WAS MOVED BY MR. KOUBA THAT STAFF BE INSTRUCTED TO RETURN TO THE COMMISSION WITH SPECIFIC LANGUAGE REGARDING THE CONCEPT OF PREFERENCE AS HAS BEEN DEFINED SO THAT THE RFP READ THAT WAY.

THE MOTION DIED DUE TO LACK OF A SECOND.

MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KOUBA, THAT IT SHALL BE THE POLICY OF THIS COMMISSION THAT ANY PROPOSAL, ANY RFP, FOR THE DEVELOPMENT OF PARCEL EB-2C THAT INCLUDES THE JEWISH MUSEUM SHALL BE PREFERRED.

AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. King
Mr. Kouba
Mr. Stern

AND THE FOLLOWING VOTED "NAY":

Ms. Bolanos
Mr. Kitahata
Ms. Ong

AND THE FOLLOWING ABSTAINED:

None

THE ACTING PRESIDENT THEREUPON DECLARED THAT THE MOTION FAILED.

Ms. Ong suggested a full discussion be held on the RFP responding to questions raised by Hampshire Properties and Mr. Ganz inform the Commission on the status of the Jewish Museum in terms of its capability of becoming a partner in the development and whether it is in fact willing to consider EB-2A.

Mr. Anthony indicated that the only way this issue can be resolved is with the addition of another Commissioner. He noted the importance of the Museum to the Jewish community and his concern at the apparent hostility towards the Museum.

Ms. Ong indicated that this is an unfortunate evaluation of what has occurred and in all cases the Commissioners have expressed a real desire to have the Jewish Museum located in Yerba Buena Center.

Mr. King noted that he agreed with Mr. Anthony's comment that this matter should not be brought before the Commission again until a new Commissioner is appointed so there will not be a tie vote.

Mr. Kitahata indicated that would address the issue of the land use but there are still technical issues that can be reviewed in the interim. He indicated that he would like to state publicly that Mr. Anthony's characterization of this hostility issue is absolutely ridiculous and inappropriate.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Helfeld introduced item (a), the purpose of which is to memorialize and commend the extraordinary productive services of David A. Jenkins to the Redevelopment of the City and County of San Francisco.

This is not an agenda item and, in accordance with the Brown Act regulations, a determination needs to be made by the Commission

that a necessity to take action on this off-agenda item arose after posting of the agenda on Friday, June 25, 1993. Pursuant to Section 54954.2(b)(2) of the Brown Act, a vote of five Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON JUNE 25, 1993.

Mr. Stern requested a copy of the resolution be sent to Mr. Jenkins' family.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On June 26, Gene Suttle, Senior Deputy Executive Director, was honored at the 1993 Praisinger Awards. Awards are presented to individuals who have distinguished themselves through service to the San Francisco community.
- (b) The Agency's Interim Budget was approved by the Board of Supervisors on June 28. The Budget Committee of the Board of Supervisors will consider the Agency's full budget on June 30.
- (c) The Mayor has nominated Leslie Tang Schilling to be appointed to the Redevelopment Agency Commission. She will before the Rules Committee of the Board of Supervisors on July 6, 1993.
- (d) There will be a reception on July 6 at 3:30 p.m. to welcome Kent Sims and his staff.
- (e) The Commissioners have been provided with the Department of City Planning's Housing Report which notes the important contribution made by the Redevelopment Agency in producing low- to moderate income housing and market rate housing. Since 1990, 4,200 dwellings have been completed, 62 percent of which were either on redevelopment land or funded by tax increment funds.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Morris Phillips, Fillmore Market Place Associates, indicated that his organization has been attempting to lease or rent the other half of Parcel 732 in the Western Addition A-2 staging area to accommodate equipment and construction materials for the contractor. He noted that the 10 cents per square foot staff proposes to charge would result in a cost of \$5,000 a month and requested Commission consideration of a monthly rental of \$250 or \$500 a month.

Mr. Stern indicated that the Agency is fundamentally committed to building housing and since the developer is having a problem that

was not in the original budget he would like staff to reconfigure the rental fee. He noted his concern that since he was appointed to the Commission August 1992, he has not seen a single permit issued for housing and not a single house has been built. He further noted his concern that this developer has experienced all kinds of difficulties getting the project to move forward and now there is another problem which he would like to see resolved.

Mr. Helfeld indicated staff would report back to the Commission regarding Mr. Phillips' request, however, he would like to note that buildings have been built during the time Mr. Stern has been on the Commission.

Ms. Ong noted that the developer is getting a low profit margin and she would like staff to return to the Commission with a recommendation for something reasonable so they will not be further squeezed.

- (b) Sy Allan, The Southeast Economic Development Group, requested \$93,000 to assist in establishing a toxic waste removal training program related to the Hunters Point Naval Shipyard.

Mr. King indicated that the Mayor's Economic Development Task Force should be approached and Mr. Browning indicated that a request has been made but the Task Force will not respond.

Mr. Helfeld indicated that the Task Force will be asked to make a decision.

Ms. Ong indicated that she would not recommend the Commission deal with this issue until there is communication with the Task Force.

Acting President Ong announced that there would a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the southeast corner of Third and Harrison Streets in Yerba Buena Center and the entity the Agency may negotiate with is Harrison Development, Inc. (Lawrence Lui).

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

There is an additional Closed Session item which arose subsequent to posting of the agenda on Friday, June 25, 1993. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a vote of five Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS ITEM AROSE AFTER POSTING OF THE AGENDA ON JUNE 25, 1993.

This item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at

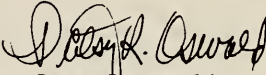
Minutes of a Regular Meeting, June 29, 1993

the northside of Sutter Street between Fillmore and Webster Streets (Parcel 677-C 1) and the entity the Agency may negotiate with is Bushmoor Associates.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned in memory of David Jenkins and to Closed Sessions on Real Property Negotiations and Personnel. The meeting adjourned at 9:00 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

August 31, 1993

Statement to be read by Linda Steinberg, Executive Director of The Jewish Museum,
for Claude Ganz, President. Mr. Ganz was called away to Columbus, Ohio suddenly
on a family matter. *JUNE 29, 1993*


The Jewish Museum S.F., respectfully asks the commission to amend its resolution of 2 weeks ago to reflect the commissioners' stated desires and intentions to help the Jewish Museum achieve its expansion goals next to MOMA. The wording of the motion passed 2 weeks ago has resulted in a draft RFP that in our opinion would virtually eliminate the possibilities of a Jewish Museum presence on site 2c:

The language in the RFP "may include a Jewish Museum" leaves the door open for a developer to exclude the Museum without negotiation. That is contrary to the Commissions verbal assurances at this hearing 2 weeks ago. It's important to note the likelihood of some potential developers not wanting to have to negotiate with a Museum and their preference for us not to exist. We wish to be clear that we are willing to negotiate with either a residential or hotel developer, as long as our specified requirements are met.

We would like the RFP language to state that the Jewish Museum will be there and that it also include an addendum delineating our minimum requirements. It's important to note that your staff already worked on such language almost 2 months ago when it engaged us in RFP drafting sessions and requested us to submit conceptual drawings and broad specifications to be included.

I know that some of you believe that your staff did not have the authority to proceed with us as they did or that you have the right to always change your mind during the process. It's hard for me to believe that staff invented that authority. I am sure that they acted in good faith in accordance with what they thought the Commission expected of them. I am also convinced that once a non-profit organization like ours relies upon such representations, the commission cannot withdraw from or change its course without risk of serious reverberations from the community. In fact, this has already occurred !!

Lastly, I would like to repeat myself (I am handing out a copy of my previous statement to refresh your memory) that if you are truly trying to act in ways that maximize the interests of our community, you must take into consideration the educational and sociological benefits our Museum brings to our society, and the significant contributions made by the Jewish Community in so many other areas.



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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
6TH DAY OF JULY, 1993

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 6th day of July, 1993, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Sonia S. Bolanos
Leroy King
Gary Kitahata
Jon Henry Kouba
Clarence R. Stern

and the following was absent:

None

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Steven L. Tate; Janice R. Trapp; David Dial, Center for the Arts; John Buss and Redmond Kernan, Hampshire Properties, Inc.; Harold Brooks, Jr., Sy Allan and Arnold Johnson, Southeast Economic Development Group; Byrant L. Wong, Asian, Inc.; and Jay Parashis, San Francisco Police Department.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Kouba, and unanimously carried that the minutes of the Special Meeting of April 26, 1993, as distributed by mail to the Commissioners, be approved.

UNFINISHED BUSINESS

- (a) Byron Rhett, Project Coordinator, Western Addition A-2, introduced item (a), which requests authorization of Exclusive Negotiations with Steven L. Tate and Janice R. Trapp for the rehabilitation of 1866 Turk Street in the Western Addition A-2. One bid was received in response to Rehabilitation Offering No. 27 for rehabilitation of this single family home, constructed in 1910. A minimum bid of \$100,000 was established and the bid received was for \$130,000. The Rehabilitation Offering was structured to give certificate holders preferential bidding status. Although two certificate holders were among the five

that purchased developer's packets, the bid received was not from a certificate holder. This item was continued from the meeting of June 29, 1993 to provide an opportunity for the responsive bidders to appear before the Commission and to respond to an allegation by Mary Rogers, who occupied the property until March 1993, that she had been informed the minimum bid price was \$175,000. At the time staff had discussions with Ms. Rogers no minimum price was set and the price in the bid offering document was \$100,000. Ms. Rogers was notified that the offering would be considered by the Commission today. Mr. Tate and Ms. Trapp are here to respond to questions.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 113-93 BE ADOPTED.

NEW BUSINESS - CONSENT AGENDA

THE ITEM LISTED HEREUNDER CONSTITUTES A CONSENT AGENDA, IS CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WAS ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Commending and expressing appreciation to Robert B. Isaacson for his services on the occasion of his retirement from the San Francisco Redevelopment Agency of the City and County of San Francisco.

ADOPTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM (a), RESOLUTION NO. 124-93, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (b) Philip Williams, Housing Development Specialist, introduced item (b), which requests authorization of Exclusive Negotiations, until October 31, 1993, and authorization of a \$569,488 Loan or Grant Agreement with Tenants and Owners Development Corporation (TODCO) for the development of 24 affordable housing units at 474-491 Natoma Street in the South of Market. The Agency has executed a purchase/sale contract with Goodwill Industries to acquire nine parcels bounded by Howard, Natoma and Minna Streets and TODCO is interested in developing six parcels bounded by Natoma and Minna Streets. The proposal is for a project consisting of 24 2-bedroom units to provide an independent living facility for physically disabled persons and TODCO will be submitting an application for Department of Housing and Urban Development (HUD) Section 811 Supportive Housing for Persons with Disabilities Program funding. TODCO must show evidence of site control and provide a local funding commitment for the proposed development and supportive services in order to be considered for this funding. The South of Market Problem Solving Council is supportive of the project and recommended designating a portion of the Goodwill site and allocating funds from the South of Market Housing fund. In addition, letters of support have been received from other community groups in the South of Market/Yerba Buena neighborhood. On July 2, TODCO's request was considered by

the Citywide Housing Loan Committee recommends approval subject to TODCO receiving a HUD Section 811 funding commitment prior to the Agency disbursing capital funds or conveying the property and submitting additional development cost and operating budget information before disbursement of capital funds. In the event the HUD funding commitment is not received by October 1993, the exclusive negotiations and the funding commitment from the South of Market Housing Fund will be rescinded.

In response to an inquiry from Ms. Ong, John Elberling, TODCO, described the supportive services program for persons with disabilities who will occupy the project.

ADOPTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 125-93 BE ADOPTED.

- (c) Ben Hattem, Agency Affirmative Action Officer, introduced item (c), which requests authorization of the adoption of interim amendments to the Agency's Purchasing Policy.
- (d) Ben Hattem, Agency Affirmative Action Officer, introduced item (d), which requests approval of the formation of a Working Committee to review the Agency's Purchasing Policy and Procedures and make recommendations.

Recommendations for amending the Purchasing Policy and Procedures were presented at workshops on April 27 and June 15, 1993 and staff responses to issues raised by the public have been provided to the Commission. In accordance with a motion adopted at the June 15 workshop, it is proposed to form a working group consisting of Commissioners Ong and King, seven community representatives and appropriate Agency staff. Staff has developed a list of eight possible community representatives that have expressed an interest in participating as members of the working group and their names have been provided to the Commission for consideration. The Commissioners have also been provided with the major changes it is proposed to implement on an interim basis.

Mr. Hattem described the proposed changes in detail and responded to questions from the Commissioners regarding the Purchasing Policy. He noted that if the legal services were to be left under the old purchasing policy, the legal services would not have the advantages of the amendments that have been prepared. He indicated it is his sense the Commission wants law firms in the annual report and wants a yardstick by which to measure the Agency's accomplishments; for the thresholds to apply to large successful law firms; to have meetings focused on increasing the participation of minority law firms, including woman-owned law firms. To this end he would urge the Commission not to exclude law firms from all the betterments in the purchasing policy, which is an interim policy that can be further amended as the Commission deems appropriate.

Ms. Ong inquired if the interim policy includes legal services and Mr. Hattem indicated they had not been specifically excluded. Ms. Ong indicated she believed law firms should be excluded because all along this has been a separate item and separate workshops held.

In response to an inquiry from Ms. Bolanos, Mr. Hatten indicated that Ted Wong of the Coalition for Economic Equity could not be present due to illness.

Jennifer Bell, Deputy General Counsel, indicated that Mr. Wong and Aileen Hernandez, Strategic Planning Consultant, are supportive of the working group that has been selected and their concerns have been incorporated in the interim policy. Their primary concerns are issues they want addressed by the working group.

Ms. Ong inquired if they are supportive of both resolutions and Ms. Bell indicated affirmatively.

MOTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 126-93 BE AMENDED TO CLARIFY THAT PROFESSIONAL SERVICES CONTRACTS DO NOT INCLUDE LAW FIRMS.

ADOPTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT ITEM (c), RESOLUTION NO. 126-93, AS AMENDED, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED, THAT ITEM (d), RESOLUTION NO. 127-93, BE ADOPTED.

- (e) Helen Sause, Project Director, Yerba Buena Center, introduced item (d), which requests authorization of Systems and Miscellaneous Furniture for the Visual Arts Center (VAC) and Miscellaneous Furniture and Accessories for the Yerba Buena Theater (YBT) in the amount of \$307,394.52 from the approved budget funds for Furnishings, Fixtures and Equipment (FF&E) for the Cultural Buildings in Yerba Buena Center. The two proposals represent a continuation of the purchasing program for FF&E for the Cultural Buildings in preparation of their opening in October. On June 29, 1993, the Commission approved the first set of these purchases of very specialized equipment for the buildings which included the theatrical draperies, rigging, light fixtures and computerized ticket equipment. Rather than soliciting one single large furniture package, the packages were split into two smaller groups, one for the YBT and one for the VAC in order to maximize the opportunity for M/WBE firms to bid. The Center for the Arts contacted over fifty agencies who are involved in soliciting businesses for M/WEB's and also advertised in the City's Bid and Contract Opportunities publication as part of their outreach in continuing efforts to have these purchases considered and responded to by M/WBE firms. The recommended firm for the theater furniture has been certified by the Public

Utilities Commission (PUC) as a woman-owned business and has requested certification by the Agency. This is now in process and a report will be made on the findings of affirmative action staff.

David Dial, Center for the Arts, described the bid process and outreach to M/WBE firms.

Mr. King inquired whether investigations are being made to be certain the firms are M/WBE's by checking who they are hiring and the percentages.

Ms. Ong inquired if certification is pending for the low bidder for the Theater Miscellaneous Furniture and Accessories, Corporate Environments, and Mr. Dial indicated affirmatively.

Ms. Sause indicated that this is a woman-owned business that has been certified by the PUC, however, the contract will not be awarded until certification by the Agency. She requested that, since there will not be a Commission meeting on July 13, that the Commission permit staff to proceed with award of the contract if the firm is certified by Agency staff because the manufacturing time takes some time to produce the equipment.

Mr. King indicated he will not be satisfied until there is certification by Agency staff.

Ms. Bolanos noted her concurrence with Mr. King, however, because of the need to proceed quickly, she would suggest the item be approved contingent upon certification by Agency staff and adequate investigation. If certification does not occur then the process will be re-opened.

MOTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED TO APPROVE RESOLUTION NO. 128-93 CONTINGENT UPON PROPER CERTIFICATION OF THE CONTRACTOR BY AGENCY STAFF AS A WOMAN-OWNED BUSINESS.

Commissioners Bolanos and King indicated that in the future the Commission must not be requested to approve contract awards unless there has been M/WBE certification by staff.

ADOPTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 128-93, AS AMENDED, BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which is a workshop on the proposed Redevelopment Plan Amendment for Yerba Buena Center.

In response to an inquiry from Mr. King, Ms. Sause indicated that all interested persons had been notified but a formal notice had not been sent to property owners.

Mr. Helfeld indicated that he was not aware the property owners had not been notified and suggested the item be continued.

MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM (e), A WORKSHOP ON THE PROPOSED REDEVELOPMENT PLAN AMENDMENT FOR YERBA BUENA CENTER, BE CONTINUED TO THE MEETING OF JULY 20, 1993.

Redmond Kernan, Hampshire Properties, noted he had previously suggested that holding a workshop on Parcel EB-2C in Yerba Buena Center would be helpful, particularly with regard to items such as density, which relate to the Plan Amendment.

- (f) Workshop on the Agency's 1993-94 budget.

This item was not held.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) There will not be an Agency meeting on July 13, 1993.
- (b) Leslie Tang Schilling's appointment to the Redevelopment Agency Commission was approved by the Rules Committee of the Board of Supervisors on July 6. This matter will be before the full Board on July 12, with a swearing-in shortly thereafter.
- (c) On July 12 at 3:00 p.m., the Board of Supervisors will hold a hearing on the Agency's Strategic Plan. This hearing was scheduled by Supervisor Kennedy and will provide an opportunity for public comment.

Ms. Bolanos indicated that it would be appropriate for the Commissioners on the Strategic Plan Steering Committee to attend the hearing.

In response to an inquiry from Mr. Kouba, David Madway, Agency General Counsel, indicated that more than three Commissioners cannot discuss Commission business, but can be in the same room for the purpose of public testimony.

- (d) The Agency has recently completed the public access improvements at the area formerly occupied by the Pier 42 Bulkhead Building area at the South Beach Harbor. As a result, the Bay Conservation and Development Commission (BCDC) has informed the Agency that the Cease and Desist Order File 2-89 has been closed as of June 1993. The BCDC Cease and Desist Order 2-89 imposed a removal date for the former Pier 42 Bulkhead Building, which was in the public access area at the South Beach Harbor. The building was removed in October 1992.
- (e) Seven proposals were received on July 2, 1993 for the Yerba Buena Gardens' operations.
- (f) The question was raised by the Budget Committee of the Board of Supervisors on overhead costs for transferring Mayor's Office

economic development staff to the Agency. The amount is approximately \$61,000, omitting personnel costs, so that will be reported to the Budget Committee.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from Ms. Ong, Ms. Bolanos suggested that Mr. Kitahata, as Chair of the Strategic Planning Committee, be the spokesman at the hearing before the Board of Supervisors on July 12.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT MR. KITAHATA BE THE LEAD SPOKESMAN AT THE HEARING ON THE AGENCY'S STRATEGIC PLAN, HOWEVER, THE SPEAKERS ARE NOT LIMITED TO MR. KITAHATA AND ANY COMMISSIONER MAY SPEAK WHO WISHES TO DO SO.

- (b) Mr. Kitahata reported on the Executive Director Search and noted that the Committee recommends hiring an outside professional recruiter. He indicated that, with Commission approval, it is proposed to direct staff to prepare a Request for Proposals.

Mr. King noted his concern at expending funds on an outside consultant and that it needs to be determined what the Agency is going to be through the Strategic Planning process before appointing a new director.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Redmond Kernan, Hampshire Properties, Inc. indicated that a letter dated July 2 from Hampshire Properties notes major concerns raised regarding the Request for Proposals (RFP) for Parcel EB-2C in Yerba Buena Center and suggested a workshop be held to address all issues.

Mr. Helfeld indicated that he had not yet received the July 2 letter, however, he would appreciate a full listing of all concerns from Hampshire Properties. He noted that an RFP will not be recommended until there has been full discussion on all issues.

In response to an inquiry from Ms. Bolanos regarding providing the Commission with a copy of the RFP, Mr. Helfeld indicated that the initial RFP had not been provided to the Commission because it will be modified after reviewing Hampshire Properties' concerns.

- (b) Harold Brooks, Jr., and Sy Allan, Southeast Economic Development Group, requested funding to establish a toxic waste removal training program related to the Hunters Point Naval Shipyard which will provide employment opportunities for the Bayview/Hunters Point community.

Minutes of a Regular Meeting, July 6, 1993

Gene Suttle, Senior Deputy Executive Director, indicated that following an appearance by Mr. Allan at the June 29, 1993 meeting regarding non-response from the Economic Development Task Force, staff solicited a response resulting in a letter being received from Kevin Williams of the Task Force which declines to approve a training program because these are CDBG rather than tax increment funds and only 15 percent of CDBG funds can be spent on training. Mr. Williams has agreed to reconsideration of the matter at a meeting scheduled for July 12.

Mr. Brooks noted his concern that he had spoken to a number of Task Force members who did not even know about the letter.

Ms. Ong requested staff report back to the Commission after the Task Force makes a decision.

In response to an inquiry from Ms. Bolanos, Mr. Helfeld indicated the Larry Del Carlo of the Mayor's Office has oversight over the Task Force, however, he services the Task Force only and does not control the money.

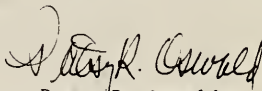
Ms. Bolanos suggested that if the Task Force does not meet on July 12 that a letter be sent on behalf of the Commission to the Mayor's Office requesting the composition of the Task Force be changed so there is appropriate attendance at the meetings.

Acting President Ong announced that there would a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. Stern, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned to a Closed Session on personnel. The meeting adjourned at 6:10 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

September 7, 1993

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
20TH DAY OF JULY, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 20th day of July, 1993, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Vice President
Leroy King
Gary Kitahata
Jon Henry Kouba
Leslie T. Schilling
Clarence R. Stern

and the following was absent:

Sonia S. Bolanos

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Amelia Sosa, Mosser Victorian Hotel; John Buss and Redmond Kernan, Hampshire Properties, Inc.; John Elberling, TODCO; Kevin Williams, Chair, Mayor's Bayview/Hunters Point Economic Planning and Development Task Force; Peter Lapid, Council of Asian American Business Associations; Dwight Kinnard, P & K Trucking; John Young; Steven Davis, California Creole Cafe; Lisa Robb, Ansel Adams Center for Photography; Richard Wilson; Byrant Wong, Asian, Inc.; and Dale Hess, San Francisco Visitors and Convention Bureau.

Representing the press was: Gerald Adams, San Francisco Examiner.

NEW BUSINESS - CONSENT AGENDA

ALL ITEMS HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing extension of Exclusive Negotiations with Pasqua Inc. for the operation and lease of the Yerba Buena Gardens West Cafe; Yerba Buena Center.
- (b) Authorizing extension of Exclusive Negotiations with California Creole Cafe for the operation and lease of the Yerba Buena Gardens East Cafe; Yerba Buena Center.

- (c) Authorizing a Rental Agreement with Roberts Ohbayashi for a portion of the property located in the block bounded by Fillmore, Ellis and Eddy Streets (Block 732A), for use as a staging area for construction; Western Addition A-2.
- (d) Authorization for Deborah Drickersen Cortez, Development Specialist, to travel to Chicago, Illinois, September 30 to October 3, 1993, to attend the first Annual HIV/AIDS Housing Conference sponsored by AIDS Housing of Washington, D.C.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a), (b), (c) AND (d), RESOLUTION NUMBERS 129-93, 130-93, 131-93 AND 132-93, BE ADOPTED.

Acting President Ong introduced newly appointed Commissioner Leslie Schilling.

NEW BUSINESS - REGULAR AGENDA

- (e) William Rumpf, Chief, Housing Production and Management, introduced item (e), the purpose of which is for a Progress Report on administration of Housing Opportunities for Persons with AIDS (HOPWA) Program. The Agency has embarked on a major new affordable housing initiative during the past year as Administrator for the City of this program, under which the federal government provides block grants to jurisdictions with with a high incidence of AIDS. San Francisco was allocated \$3.1 million in 1992 for non-profit sponsors for the initial funding cycle and \$6.2 million in 1993, of which \$5.6 million will be spent in the City and County of San Francisco and approximately \$300,000 each in Marin and San Mateo Counties. A Notice of Funding Availability was issued in May 1993 and in conjunction with the Mayor's HIV/AIDS Health Services Planning Council, funding targets were set at: \$3.3 million for capital funding for acquisition and renovation; \$850,000 for support services; and \$1.450 million for lease and rental assistance. Seventeen applications received were evaluated by the Agency and the Department of Public Health AIDS Office. At the direction of Mayor Jordan, funding decisions are made by a seven person HOPWA Loan Committee and the Commissioners have been provided with a list of the projects approved for funding to date. The Agency is entitled to use 3 percent of the HOPWA grant, or approximately \$177,000, for administrative costs, which has enabled the Agency to hire a new Development Specialist to oversee the program. The program provides an opportunity to meet the critical need to expand housing facilities for people with AIDS.

In response to an inquiry from Mr. Stern, Mr. Rumpf indicated that persons with HIV/AIDS can stay in private housing in an emergency on a short term basis and up to a year if they qualify for subsidies.

Mr. Kouba inquired if the seven member committee will make decisions rather than the Commission and Mr. Rumpf indicated affirmatively.

Mr. Kouba noted his concern that this seems to be an ad hoc committee that has been created and the Commission should consider whether they want staff involved in projects over which the Commission has no supervision.

Commissioners Ong and Stern noted their concurrence with Mr. Kouba's view point that when staff are involved in programs, the Commission should have oversight because they are held accountable by the public.

Following further discussion, Mr. Helfeld noted that this is not a staff decision but the desire of the Mayor, however, he would raise this issue with the Mayor to see if he has any objection to the Commission participating in the decision making process as with other programs.

In response to an inquiry from Mr. Kouba, Mr. Rumpf noted the reasons for three applications that were disapproved and to questions from Ms. Ong regarding the Haight Ashbury Free Clinic.

- (f) James Nybakken, Administrative Services Officer, introduced item (f), which requests approval of a Request for Proposals (RFP) for an Executive Director Search Consultant. The Commissioners have been provided with a copy of the RFP it is proposed to issue for a search consultant, the advantages of which are: the services of an objective and experienced outside professional who may facilitate agreement among the Commission regarding selection criteria, process and a final hiring decision; search firms may have recruitment resources and techniques that would be helpful in locating candidates that may not otherwise apply; the firm will provide an independent assessment of the qualifications of candidates; a more sophisticated selection process may be employed to appraise the qualifications of candidates; and use of existing staff resources can be directed in other areas. Four phases covered in the RFP require the consultant to: facilitate development of candidate profile and recruitment strategy; implement the recruitment program to attract high quality candidates; design, coordinate and administer the selection process; and facilitate the development of a specific transition plan for the new Executive Director. In accordance with the recently approved interim Agency Purchasing Policy, a thirty day response period will be allowed, with an August 20 due date. The proposals will be evaluated by the Commission Search Committee and it is anticipated a recommendation will be made by the end of August or early September to the full Commission. The services are anticipated to cost in the range of \$15,000 to \$25,000, plus expenses.

Mr. Kitahata noted suggested changes whereby the RFP should state: (1) that it is anticipated the Strategic Plan will be in place prior to the selection of an executive director; (2) that

the search will be directed by a three-member Commission Search Committee, which reports to the full seven-member Commission; and (3) that a workshop will be held for public input.

Mr. King noted his concern at the suggestion to open the matter up to public comment because it is the responsibility of the Commission to make a decision and then the recommendation is submitted to the Mayor.

Commissioner Stern also noted his opposition to involving the public in the decision making.

Mr. Kitahata noted his opposition to eliminating an opportunity for the public to comment because the distinction is there is a two part process, namely, determining criteria and determining the person for the position.

In response to an inquiry from Mr. Kouba, David Madway, Agency General Counsel, indicated that the Commission may consider and interview candidates in Closed Session but general criteria or process must be discussed in open session. He noted that a selection decision may be made in Closed Session but an announcement must be made in open session.

Following discussion, it was the consensus of the Commission that the RFP be amended to state: that it is anticipated the Strategic Plan will be in place prior to the selection of an executive director; that the search will be directed by a three-member Commission Search Committee, which reports to the full seven-member Commission; and that "the Agency Commission appoints the Executive Director in consultation with the Mayor".

Dwight Kinnard, P & K Trucking, indicated that the Commission should look in-house for a candidate and he would recommend the appointment of Gene Suttle, Senior Deputy Executive Director, for the position.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 133-93 BE ADOPTED.

- (g) Robert Gamble, Deputy Executive Director, Finance, introduced item (g), which requests authorization to undertake all actions necessary to repurchase the residual rights to the Opera Plaza Mortgage Revenue Bonds and to partially refund those bonds, resulting in a net value to the Agency of approximately \$1.6 million. Subsequent to the Agency's sale of mortgage revenue bonds in 1980 to support the development of Opera Plaza, Meridian Bank expressed an interest in purchasing the residual rights to the bonds and an arrangement was achieved whereby the Agency received \$2 million for these rights. The financial value of these rights to Meridian Bank resulted from the fact that the accounts backing the bonds were invested in long-term securities which Meridian needed to balance their investment portfolio. Changes in perceptions regarding interest rates and changes in Meridian's investment portfolio have resulted in their bringing

forward a proposal to resell the residual rights to the Agency and to refund the bonds. Following negotiation, the total benefit to the Agency has been set at approximately \$1.6 million, of which approximately \$1.4 million is cash, and \$200,000 is in the form of annual residual payments. This benefit represents half of the marginal benefit created by the transaction. Meridian receives the other half. Since Meridian currently owns the residual rights, they effectively control this transaction and propose using Miller and Schroeder as underwriters on the refunding portion. At the urging of staff, Meridian has agreed to also use the local African American-owned firm of Charles Bell Securities.

In response to an inquiry from Mr. Kouba, Mr. Gamble indicated that approximately \$200,000 of the \$1.6 million could be for funds the Agency is mandated by State legislation to transfer to the State. The Agency has debt obligations and it is proposed to place the remainder in an interest bearing account for the time being.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 134-93 BE ADOPTED.

- (h) Robert Firehock, Deputy General Counsel, introduced item (h), which requests authorization of a Memorandum of Agreement (MOA) with the United States General Services Administration (GSA) for the preparation of a joint EIS/EIR related to the proposed 10th and Market Federal Office Building in connection with the 10th and Market Redevelopment Survey Area. The Mayor's Office located the 10th and Market site, owned by Bank of America, which is acceptable to the GSA for a new Federal Office Building, and the Mayor designated the Agency as the lead City entity to consummate the transaction. An agreement in principal has been reached between the parties pursuant to which the Bank of America would sell the site to the Agency for \$4 million plus the cost of demolition and relocation, and the Agency would convey it to the GSA. Since that time, staff has been exploring the many issues related to the transaction and negotiating the detailed transaction documents. The proposed project requires environmental evaluation under the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA) because the Federal Government and the Agency are involved in discretionary decision making roles. Since both Acts strongly encourage joint environmental review to reduce duplication, the Agency and GSA have agreed to cooperate in a joint environmental review process and to rely on a joint environmental document to satisfy both Acts. A joint review and evaluation process will achieve cost savings and operating efficiencies and minimize the risk of inconsistencies in analysis which otherwise could lead to delay and possible legal challenges. It will also afford the public an opportunity to participate in the environmental review process, without unnecessary duplication of effort and comment.

ADOPTION: IT WAS MOVED BY MS. SCHILLING, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 135-93 BE ADOPTED.

- (i) Helen Sause, Project Director, Yerba Buena Center, introduced item (i), which requests authorization of a Termination Agreement with Harrison Development, Inc. (Lawrence Lui) in connection with the Land Disposition Agreement (LDA) for Parcel 3763-A located at the southeast corner of Third and Harrison Streets in Yerba Buena Center. Due to its inability to obtain financing, the Developer has requested the LDA be terminated and that all funds deposited or paid to the Agency be refunded. It is staff's position that it is inappropriate to refund the opportunity cost fees of \$90,000 paid for extensions of time, however, given the diligent efforts of the Developer to meet the terms of the LDA and the difficult economic climate, staff believes it is appropriate to refund the \$45,000 performance deposit. In consideration of termination of the agreement and refund of the performance deposit, the Developer has agreed to deliver and assign all rights to the Agency to any reports, studies, or architectural plans which may assist the Agency or any future developer of the site.

Mr. Kitahata indicated he would like a Request for Proposals prepared as soon as possible for Commission consideration.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 136-93 BE ADOPTED.

Acting President Ong announced that there would be a brief recess. The meeting recessed at 5:20 p.m. and reconvened at 5:27 p.m. with the same roll call.

- (j) Thomas Conrad, Chief, Planning and Programming, introduced item (j), the purpose of which is for a briefing on the proposed Yerba Buena Center Redevelopment Plan Amendment. This Plan Amendment is proposed to bring the current Redevelopment Plan into congruency with the Downtown Plan and the South of Market Plan. All housing developments, community groups and land owners with whom the Agency has regular communication have been notified of this briefing.

Mr. Conrad described the proposed Plan amendment in detail and responded to questions from the Commissioners regarding the proposed reduced height limit from 320 feet to 300 feet and the increased density from 7.1 to 13.1.

Ms. Schilling inquired why use is being limited to housing in such a large area when there is an ability to be flexible.

Mr. Helfeld indicated that it has been the Commission's policy to encourage housing and one of the major objectives in the Yerba Buena Center Redevelopment Plan is to create a strong residential community. The Agency does not own these properties and has Owner Participation Agreements (OPA's) with all the property

owners. If any owner wants to develop commercial, they can request Commission approval.

Mr. Conrad noted that the parcels available for development or subject to change by private owners are not substantive.

The following persons spoke regarding item (j): John Elberling, TODCO; and Redmond F. Kernan, Hampshire Properties, Inc.

Mr. Elberling complimented the Commissioners and staff for their efforts in formulating the Plan Amendment which has taken many years to accomplish and represents the consensus of the neighborhood. He urged the Commission proceed with the proposed Plan Amendment.

In response to an inquiry from Mr. Kernan, Mr. Conrad indicated there is no change to the uses on Parcel EB-2C.

In response to an inquiry from Mr. Stern, Mr. Kernan indicated that the hotel proposed for EB-2C would probably be lower than 300 feet and that the 13.1 FAR is higher than a hotel or housing developer would need.

- (k) Mr. Helfeld introduced item (k), which Memorializes and Commends the extraordinarily productive services of Rai Okamoto to the Redevelopment Agency of the City and County of San Francisco. Memorial Services will be held on July 28 at 5:00 p.m. in the War Memorial Green Room.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 137-93 BE ADOPTED.

REPORT OF THE PRESIDENT

Acting President Ong reported on the following matters:

- (a) A dance for seniors held in the Esplanade Ballroom in Yerba Buena Center on July 16 was a very successful event.
- (b) Ms. Ong noted that she had attended a meeting on the planning schedule for the Yerba Buena Gardens Opening Week Celebration, October 11 through 17, and Helen Sause, Project Director, Yerba Buena Center, will present the itinerary for the opening later at the meeting. She noted that she had also attended a Board of Directors meeting of the Center for the Arts and there are different board members participating on different committees. The question was raised as to whether the Commissioners would like to play a similar role and be involved in the opening ceremonies that are of interest to them.
- (c) Ms. Ong noted that she and Commissioner Bolanos had met with Claude Ganz, President of the Board of Directors of the Jewish Museum, on July 20 because the Museum has been the subject of controversy with the Commission and others. Mr. Ganz was advised that a report would be made to the Commission because the

discussion presented some very interesting possibilities as well as a very different version of what he would like to see happen. Mr. Ganz indicated the Museum is interested in either Parcel EB-2A or Parcel EB-2C and finds EB-2A much more acceptable, which is quite different to what was presented before. He finds EB-2A more acceptable, however, he is concerned that the Williams Building might present an obstacle. He is hoping for a stand alone project to be incorporated with a hotel or housing development. However, if the Museum had the rights to participate at all in EB-2A, it would like to be a stand alone project of about three stories high, using only part of the the lot, with development going around the Museum project with air rights to develop whatever further heights are necessary. Mr. Ganz was advised that neither of the Commissioners could discuss the financial feasibility or development possibilities but suggested a meeting be held to discuss the plans for EB-2A and EB-2C simultaneously so there is a master plan for both sites. It is suggested the Request for Proposals be postponed because it might be possible to come up with a plan whereby the hotel and the Jewish Museum can be accommodated and solve some controversy. Mr. Ganz indicated he would like to have a general discussion in the very near future and then a meeting between Jewish Museum representatives and staff to discuss the possibility of the Museum going on EB-2A with any other development, leaving EB-2C available to whomever is interested. The Commission needs to decide whether an RFP on both sites can be postponed until there is a master plan for both sites. It should be reiterated and emphasized that if it is not possible for the Jewish Museum to locate on EB-2A then Mr. Ganz would like the Commission again to consider whether the Museum could have preferred rights to EB-2C.

Mr. Helfeld indicated that a meeting will be held with Mr. Ganz and a report made to the Commission at the July 27 meeting.

- (d) The Commissioners have been provided with a letter dated July 19, 1993 from the Council of Asian American Business Associations (CAABA) regarding the Request for Qualifications (RFQ) issued for four professional services contracts in connection with the Hunters Point Naval Shipyard and it is being requested that the RFQ process be re-opened to permit participation by Asian, Inc. who did not receive the solicitation notice.

Byron Rhett, Project Coordinator, Hunters Point, described the solicitation and advertising process that was followed for the consultant contracts. He noted that if the process is re-opened, this could result in a delay of thirty days.

Ms. Ong requested that Asian, Inc. be placed on the mailing list for Agency solicitation notices and Mr. Rhett indicated this would be arranged.

Pete Lapid, CAABA, indicated that Asian, Inc. had been on the mailing list before and did not know whether the Agency has changed its policy because of the interim Purchasing Policy. He

noted that all developers should be on the mailing list for Agency solicitation notices.

Mr. Helfeld indicated that staff will evaluate the impacts of re-opening the bid process and report back to the Commission at the July 27 meeting.

- (e) Helen Sause, Project Director, Yerba Buena Center, noted that the Commission has been provided with a draft list of events it is planned to schedule for the Yerba Buena Gardens Opening Week Celebration, October 11 through 17, 1993.

Ms. Ong noted that this is a grand achievement and provides an opportunity for the Commissioners to participate and be involved in the process.

MOTION: IT WAS MOVED BY KR. KOUBA, SECONDED BY MR. STERN, THAT THE COMMISSION WISHES TO ENTHUSIASTICALLY PARTICIPATE IN THE PLANNING OF THIS GRAND EVENT.

Ms. Ong requested the Commissioners contact Ms. Sause if they want to participate in specific events and Ms. Sause indicated the Commissioners will be provided with further information on the celebration.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) A mural commissioned for 980 Howard Street, former Goodwill site, is completed. There will be a celebration in the near future and the Commission will be notified.
- (b) On July 19, the Board of Supervisors approved the Agency's 1993-94 budget by a vote of 10 to 0.
- (c) The Agency's Strategic Plan hearing before the Board of Supervisors has been postponed to August 9, 1993 and it is believed it would be appropriate for the Commissioners to visit with individual Supervisors to alert them to all the issues in the Strategic Plan prior to the hearing.
- (d) The Commissioners have been provided with an informational memorandum regarding an update on Economic Development Programs. The memorandum covers only the existing Agency-funded programs for business loans and employment assistance and does not cover the activities of the new economic development staff. The new staff that will be transferred to the Agency from the Mayor's Office of Economic Development will be dealing with economic analysis and information, not implementation of loan programs, and their activities will be discussed at a later date with the Commission.

- (e) The Commissioners have been provided with a memorandum informing the Commission of the short list of firms to be interviewed on July 21 to provide maintenance, security and operations of the Esplanade and East Garden on Central Block 2 in Yerba Buena Gardens. It is requested that if the Commissioners have comments about the firms, they advise staff prior to July 21.
- (f) Staff has been keeping track of the Government Efficiency and Labor Committee of the Board of Supervisors to see if Supervisor Hallinan's Resolution to have the Board of Supervisors take over the Redevelopment Commission is brought up for action. To date, Supervisor Hallinan has not brought this item out of file, which would activate it. Staff will continue to monitor this matter and keep the Commission advised of developments.
- (g) Four developers responded to a Request for Qualifications (RFQ) for the development of twenty-four housing units for Site F-1 (Billboard site) in Rincon Point-South Beach. Staff is evaluating the responses and those qualified will be requested to submit proposals.
- (h) It is proposed to hold a reception to introduce the Agency staff to the most recently appointed Commissioners Kouba and Schilling and the economic development staff coming from the Mayor's Office.

In response to an inquiry from Ms. Ong, Mr. Helfeld indicated that the Board of Supervisors voted to approve the Agency's budget without the funding earmarked for the economic development positions from the Mayor's Office.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from Mr. Kitahata, Mr. Helfeld indicated that two Commissioners have requested that consideration of a Request for Proposals (RFP) for Parcel EB-2C in Yerba Buena Center be postponed and, in light of Ms. Ong's request to meet with Claude Ganz of the Jewish Museum, it is proposed this item not be calendared for July 27.

Mr. Kitahata indicated that when this matter is calendared he would like the package to include the RFP and that staff analysis for this should include background information. One item is the fact that the Agency, as part of its financing for CB-2 in Yerba Buena Center, did issue \$30 million of unrated, unsecured, bullet maturity debt which is very expensive and the impact of the sales proceeds from the four major parcels in Yerba Buena Center should be known in order to make decisions. It should be kept in mind that there is a need to retire that \$30 million debt obligation and it would be helpful to the new Commissioners to be informed on that issue. A lease or sale option has been discussed for EB-2C and if it were leased instead of sold the Agency would be able to use the lease revenue over time as an operating subsidy.

Mr. Helfeld indicated that staff does not recommend lease but only sale because the Agency made representations when the bonds

were sold that that property, among others, was standing behind that \$30 million and so the sales proceeds have to be used to retire that debt.

Mr. Kitahata noted his concurrence with Mr. Helfeld regarding the need for the \$30 million debt to be retired, however, he indicated that at some point in the future he would like an assessment of what the operating costs are going to be for CB-3 and what source of funds will be used.

- (b) Mr. Kitahata requested a status report on the Williams Building demolition in terms of time frame.
- (c) Mr. Kitahata referred to a letter dated July 6, 1993 addressed to Mayor Jordan from Concerned Residents of Bayside Village indicating the rent of the below market rate units are being increased while the rents of the market rate units are not. It is understood that letters like this have been received before and there is a standard response, however, in the future it would be helpful if that response could accompany the letter because it would be instructive for the new Commissioners. He noted that Bayside Village is an example of the Agency issuing bonds on behalf of a developer in exchange for 20 percent of the units being set aside for persons at 80 percent of median income or less, however, more recent subsidies are structured much differently and mostly go to nonprofit developers. The developer has not violated Federal law and therefore has not done anything illegal.

Mr. Stern inquired if there is any way to give relief to the tenants or influence the developer to give them some dispensation.

David Madway, Agency General Counsel, indicated he would like to further review this matter but one thing that can be relatively effective in dealing with developers who abuse an opportunity they have been presented with is to make it clear they will never again build another project in this City under the auspices of the Redevelopment Agency.

Mr. Kouba requested a written response be provided to the Commission.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Kevin Williams, representing the Mayor's Bayview/Hunters Point Economic Planning and Development Task Force, indicated that he would like to clarify the position of the Task Force pertaining to a request for funds by Sy Allan of the Southeast Economic Group (SEED) and others towards a proposed toxic waste training removal program in connection with the Hunters Point Naval Shipyard. On July 12, at the regular Task Force meeting a resolution was passed sending the matter to committee for review to consider endorsement of the SEED proposal in concept. It should be emphasized that this is without consideration for funds

that are under the auspices of the Task Force. The Task Force was under the impression that Mr. Allan was seeking funds upfront. After close collaboration with the Mayor's Office, including Larry Del Carlo, Director of the Mayor's Office of Community Development (MOCD), advice was received that additional funding under public services would not be allowed by the U.S. Department of Housing and Urban Development (HUD), so the Task Force were statutorily bound to deny the request. In any event, it would not make sense to recommend something for approval that HUD would deny. Mr. Allan has indicated that if he is successful in obtaining an endorsement from the Task Force he will bring that endorsement back to this Agency with a request for funding from an alleged separate pool of funds controlled exclusively by the Agency. With regard to questions that were raised at the July 6 meeting regarding the role, oversight and accountability of the Task Force and a representation that the Task Force was not being responsive to the complaining party, the Task Force reports and is only accountable to the Mayor who appointed the members directly. He did not intend for this Agency or any other agency to have oversight over a community-based Task Force, nor to act as an appeal body of any decisions or actions of the Task Force. It is understood that the Commission has a commitment and responsibility to severely impacted communities such as Bayview/Hunters Point, however, there must be recognition of the respective roles in order to avoid wasteful duplication of effort. Mr. Williams noted his appreciation of the clerical services of Agency employee, Debbie Davis, and the support of the Commission, especially Commissioners King and Stern.

Mr. Helfeld noted that this Commission has always taken the position that they will not act on any requests without a recommendation from the Task Force.

In response to an inquiry from Mr. Kitahata, Mr. Williams indicated that the process is now in MOCD and 100 percent of the funds under the auspices of the Task Force are CDBG funds, not tax increment. Therefore, HUD guidelines apply which strictly state the uses are for entrepreneurship and small business loans. With small business loans, those businesses can hire community people but grant money does not come back. Mr. Allan appeared before the Task Force on the recommendation of this Commission and stated he was not requesting funding, merely whether this proposal is worth an endorsement.

Mr. Kouba indicated that if Mr. Allan appears before the Commission again he would like Mr. Williams to be present. Mr. Williams indicated he would be pleased to comply with this request and he would also like the Commissioners to feel free to contact him on any issues.

Acting President Ong announced that there would be three Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and the entities the Agency may negotiate with are:

Minutes of a Regular Meeting, July 20, 1993

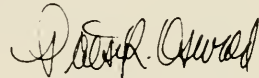
240 Sixth Street (Knox Hotel) in the South of Market with TODCO; and
San Francisco Naval Shipyard with the United States Navy; and
the block bounded by Market, Mission, 10th and 11th Streets (10th and
Market Redevelopment Survey Area) with the United States General
Services Administration.

There will also be a Closed Session pursuant to Government Code
Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Kouba, and unanimously
carried that the meeting be adjourned in memory of Rai Okamoto and to
Closed Sessions on Real Property Negotiations and Personnel. The
meeting adjourned at 7:15 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

September 21, 1993

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
27TH DAY OF JULY, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 27th day of July, 1993, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Sonia S. Bolanos
Leroy King
Gary Kitahata
Jon Henry Kouba
Leslie T. Schilling
Clarence R. Stern

and the following was absent:

None

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Ann Kronenberg, Executive Director, Mayor's Criminal Justice Council; Thomas Mayfield, Director, Mayor's Gang prevention Program; Geraldine Johnson; Raymond Colmenar, South of Market Problem Solving Council; Ed de la Cruz, Westbay Philipino Multiservice Corporation; Dino di Donato; Tom Perez, Director, Sixth Street Photo Workshop; Henry Perez, Sixth Street Merchants and Residents Association; Anita Hill, Executive Director, Verba Buena Gardens Marketing Alliance; Shelley Bradford-Bell, Marthin Luther King Civic Committee; Artie Ree Morgan; Don Marcus; and Virginia Conway.

ELECTION OF OFFICERS

Acting President Ong indicated that the Mayor's Office has requested the matter of Election of Officers be postponed until further notice.

NEW BUSINESS - CONSENT AGENDA

At the request of Mr. Kouba, Consent Agenda items (h) and (i) were removed from Consent Agenda and considered as regular items.

THE ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE VOTED UPON BY A SINGLE VOTE OF THE COMMISSION.

Minutes of a Regular Meeting, July 27, 1993

- (a) Authorizing a Sixth Amendment to the Personal Services Contract with the Ella Hill Hutch Community Center (EHHCC) to provide employment development services in an amount not to exceed \$44,333 for the period August 1, 1993 through September 30, 1993; Western Addition A-1 and A-2.
- (b) Authorizing a Fourth Amendment to the Personal Services Contract with Urban Economic Development Corporation (UEDC) for technical assistance services in an amount not to exceed \$31,667 for the period August 1, 1993 through September 30, 1993; Western Addition A-1 and A-2.
- (c) Authorizing a Fourth Amendment to the Personal Services Contract with Young Community Developers, Inc. to provide employment development assistance in an amount not to exceed \$33,333 for the period August 1, 1993 through September 30, 1993; Hunters Point, India Basin and other Redevelopment Project Areas.
- (d) Authorizing a Fourth Amendment to the Personal Services Contract with Mission Hiring Hall, Inc. to provide employment development assistance services in an amount not to exceed \$36,667 for the period August 1, 1993 through September 30, 1993; South of Market, Yerba Buena Center and other Redevelopment Project Areas.
- (e) Authorizing a Second Amendment to the Personal Services Contract with the South of Market Foundation for business technical services in an amount not to exceed \$25,000 for the period August 1, 1993 through September 30, 1993; South of Market.
- (f) Authorizing a First Amendment to the Personal Services Contract with Women's Initiative for Self-Employment (WISE) for technical assistance in an amount not to exceed \$6,667 for the period August 1, 1993 through September 30, 1993; Western Addition A-1 and A-2, India Basin and Hunters Point.
- (g) Authorizing a First Amendment to the Personal Services Contract with San Francisco Renaissance (SFR) for technical assistance services in an amount not to exceed \$5,000 for the period August 1, 1993 through September 30, 1993; Western Addition A-1 and A-2, India Basin and Hunters Point.
- (j) Approving the replacement of Pete O. Lapid with Harold T. Yee and addition of Cathy Simon and Risa Martyn as members of the Working Group formed to review the Agency's interim Purchasing Policy and Procedures.
- (j-1) Authorizing a Personal Services Contract with Wes Willoughby in an amount not to exceed \$42,000.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) THROUGH (g) AND (j) AND (j-1), RESOLUTION NUMBERS 138-93 THROUGH AND INCLUDING 144-93 AND RESOLUTION NUMBERS 147-93 AND 148-93, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

(h) Wilbert Battle, Community Liaison Officer, introduced item (h), which requests authorization of an expenditure in an amount not to exceed \$950,000 from the Bayview/Hunters Point and Western Addition Economic Development funds of \$475,000 respectively and authorizing a Letter Agreement with the Mayor's Office of Criminal Justice's Gang Prevention Program (Program) to operate the Disadvantaged & High Risk Youth Pilot Employment Program. In April 1993 a Letter Agreement was authorized in connection with this program for the purpose of immediately hiring a Project Director. This was based upon action on July 14, 1992 when the Commission authorized \$500,000 each from the Bayview/Hunters Point and Western Addition economic development funds at a joint hearing of the Commission and the Economic & Social Policy Committee of the Board of Supervisors. The program would offer a full year employment and training for disadvantaged and high risk youth who reside in the Bayview/Hunters Point and Western Addition Project Areas. Legislation passed by the Board of Supervisors in September 1993 contained specific requirements for participants in the program, details of which have been provided to the Commission as well as the program schedule and budget.

Mr. Battle introduced Ann Kronenberg, Executive Director, Mayor's Criminal Justice Council, and Thomas Mayfield, Director, Mayor's Gang Prevention Program.

In response to an inquiry from Mr. Kouba, Mr. Battle indicated that the Director of the program could not attend this meeting because he is out of town and Mr. Kouba requested he appear before the Commission at the August 3, 1993 meeting.

In response to an inquiry from Mr. Kouba, Ms. Kronenberg indicated that there has been an extensive notification of the applications in the Bayview/Hunters Point and Western Addition areas, however, if it is found necessary, the deadline for applications of July 30, 1993 can be extended.

Geraldine Johnson urged the Commission to request quarterly reports be submitted during the first year of the program and noted her concern that the Executive Director will have to wait over a month before he is paid. She inquired whether the funds being used are restricted to this program

Ms. Kronenberg indicated that the funds will be restricted to this program and there is a Civil Service process that has to be followed with regard to salary which has caused the delay. However, all efforts are being made to expedite this matter and the salary will be retroactive to July 1.

In response to an inquiry from Ms. Ong, Ms. Kronenberg Indicated that quarterly reports will be provided.

ADOPTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 145-93 BE ADOPTED.

- (i) Helen Sause, Project Director, Yerba Buena Center, introduced item (i), which requests authorization of an expenditure of \$25,000 to the Yerba Buena Gardens Marketing Alliance (Alliance) for marketing services for the project; Yerba Buena Center. The Alliance was formed in 1991 to develop and promote a positive and cohesive public information program for Yerba Buena Center and the Commission authorized the Agency to participate as a "Founder" of the Alliance which involves an annual fee of \$25,000. The Alliance subsequently hired Anita Hill as Executive Director to spearhead marketing efforts.

In response to an inquiry from Mr. Kouba, Anita Hill, Executive Director of the Alliance, described the membership categories and distributed the Alliance's most recent newsletter.

ADOPTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 146-93 BE ADOPTED.

Geraldine Johnson inquired why San Francisco Housing Development Corporation (SFHDC) was not included under the items covering service providers and Gene Suttle, Senior Deputy Executive Director, indicated that late advice had been received that SFHDC will be unable to meet its next payroll and a funding request will be calendared for the August 3, 1993 meeting. The Mayor's Office of Housing administers the contracts.

- (k) Michael Kaplan, Project Coordinator, South of Market, introduced item (k), which requests authorization of a Professional Services Contract, in an amount not to exceed \$30,500, with Tenants and Owners Development Corporation (TODCO) to perform housing and planning and related services in the South of Market. A major activity in the implementation of the South of Market Earthquake Recovery Redevelopment Plan is the development of new affordable housing and the rehabilitation of existing single room occupancy residential buildings (SRO's) and residential apartment buildings. As part of this program it is necessary to: develop property management standards which can be applied to and be incorporated in Owner Participation Agreements with the owners and managers of SRO's and apartment buildings; prepare a project area and resident survey to obtain information on resident housing and transportation needs; and prepare a South of Market area premarketing housing inquiry list for future affordable housing development. TODCO proposes to perform these services, which will be completed within seven months, at a cost not to exceed \$30,500 and the proposal has been endorsed by the South of Market Problem Solving Council and the Sixth Street Merchants and Residents Association.

The following persons spoke in support of item (k): Raymond Colmenar, South of Market Problem Solving Council; Ed de la Cruz, Westbay Pilipino Multiservice Corporation; Dino di Donato; Tom

Ferentz, Director, Sixth Street Photo Workshop; and Henry Perez, Sixth Street Merchants and Residents Association.

Mr. Colmenar indicated that the work items are consistent with the desires of the South of Market community and Mr. Perez noted the importance of implementing the changes expeditiously.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 149-93 BE ADOPTED.

- (1) Helen Sause, Project Director, Yerba Buena Center, introduced item (1), which requests authorization of the purchase of the Telecommunication and Audio-Visual Systems in the amount of \$504,399.42 from the approved budget for Fixtures, Furnishings and Equipment (FF&E) for the Visual Arts Center (VAC) and the Yerba Buena Theater (YBT) in the Yerba Buena Gardens of Yerba Buena Center. The FF&E purchases necessary to equip the cultural buildings were authorized in August 1992 and the process for expenditure of those funds was authorized in September 1992. The proposed action authorizes the third set of contracts over \$20,000 as required by the Purchasing Policy and Procedures of the Agency. The purchases include \$76,589.42 to Genentel, Oakland, for the telecommunications system and \$427,810 to Pro Media, El Sobrante, for the audio-visual system. Advertising and outreach efforts were followed similar to the other two sets of purchases with the advice of Agency Affirmative Action staff and a solicitation process was followed similar to that used for the other sets of purchases. The Center for the Arts has secured verification of M/WBE status, where applicable, from the Agency's Affirmative Action staff prior to recommending the vendors.

David Dial, Center for the Arts, described the uses for the equipment and noted M/WBE participation in the contracts awarded to date.

ADOPTION: IT WAS MOVED BY MS. SCHILLING, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 150-93 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Shelley Bradford-Bell, Martin Luther King Civic Committee, made a presentation on the Martin Luther King Memorial dedication ceremonies and described fundraising efforts being undertaken.

In response to an inquiry from Ms. Ong, Ms. Sause indicated that the Commissioners will be provided with an updated calendar of events for the opening celebration of Yerba Buena Gardens scheduled for October 1993.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) A meeting was held on July 27 with representatives of the Jewish Museum, including Claude Ganz, President of the Board of Directors, the Museum's attorney and architect, Commissioners Ong and Kitahata and Agency staff to discuss opportunities that exist for the Museum in Yerba Buena Center. The Agency is supportive of the Museum and discussions have taken place regarding the possibility of its locating in EB-2A or EB-2C. Another possibility that has now arisen is for the Museum to occupy the Jessie Street Substation building to which the San Francisco Museum of Modern Art (SFMMA) has the rights. SFMMA had planned to put a sculpture garden at the Substation, however, another location for the garden is now under consideration. The Jewish Museum representatives were very interested in locating in the Substation which would give them a free standing site and it was agreed to postpone the offerings for EB-2A and EB-2C pending investigation of this possibility.

Ms. Schilling noted her concern at a further postponement of the offerings and Mr. Helfeld indicated that only a two week delay is proposed.

Ms. Ong indicated that a lot of problems will be resolved in the event the Jewish Museum can locate at the Substation and they are very interested in the possibility.

In response to an inquiry from Ms. Schilling, Mr. Helfeld indicated that if the Jewish Museum does not find the Substation to be a suitable location, then the preference language in the offerings for EB-2A and 2C can be further discussed.

Mr. Kouba indicated that it has always been presented as being desirable to have the Jewish Museum locate in Yerba Buena Center.

Ms. Schilling indicated that, although preference is fine and she would like to see more museums in that area, she would not be in favor of any project that would cause a delay to the detriment of a viable economic use.

Mr. Kitahata indicated he would like staff to return to the Commission with an RFP as soon as there is a response from the Museum and he would like the RFP for EB-2C to be discussed in Closed Session.

David Madway, Agency General Counsel, noted that the RFP must be discussed in open session, because the Agency is not involved in negotiations with a specific developer.

Mr. Kitahata indicated that with respect to the RFP's for 2A and 2C he would like staff to look into adding a participation clause and Mr. Helfeld indicated staff will investigate this and report back to the Commission.

- (b) The Agency's Strategic Plan hearing before the Board of Supervisors is scheduled for August 9, 1993. Staff and

Commissioners are scheduling appointments with the Supervisors to brief them on the Strategic Plan prior to the hearing.

- (c) The Friends of Redevelopment will meet on August 5 to discuss the Strategic Plan.
- (d) Memorial services for Rai Okamoto will be held on July 28, 5:00 p.m., in the Green Room of the War Memorial Building at Van Ness and McAllister.
- (e) There will be a groundbreaking ceremony on July 30, 1993 at 10 a.m. for the Fillmore Market Place project which is a 120 low-income rental development to be located at Webster and Eddy Streets in the Western Addition.
- (f) On July 31, 10:00 a.m. to 4:00 p.m., there will be a South Beach Arts and Crafts Festival between Bayside Village and South Beach Marina Apartments and running the full length of the Embarcadero in front of Delancey Street.
- (g) The Commissioners have been provided with a notice of the Agency meeting for August 10 which informs all interested parties that the Agency will be requesting a waiver of the Agency's housing participation requirement of 40 percent for three parcels located at: the northwest corner of Van Ness Avenue and Myrtle Street in the Western Addition A-2; the southeast corner of Byrant and First Street in Rincon Point-South Beach; and the south side of Keith Street near Hudson Avenue in Hunters Point.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Kitahata noted that he will be out of town during the pre-bid conference search for an executive director scheduled for August 16 at 2:00 p.m. and requested any other Commissioners interested in attending contact Mr. Nyabken. Commissioners Kouba and Stern indicated they might be available to attend.
- (b) In response to an inquiry from Ms. Schilling regarding letters received in connection with Bayside Village's concerns regarding the terminal separator and the off-ramps, Mr. Helfeld indicated that there will be a presentation by the Department of City Planning to the Commission on August 10 and a report will be provided to the Commission prior to the presentation.
- (c) Ms. Ong reported that she had attended a planning meeting on the Yerba Buena Gardens opening scheduled for October and she would encourage the other Commissioners to volunteer to participate in events in which they are interested.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS (Continued)

- (b) Virginia Conway indicated her support of the Jewish Museum locating in Yerba Buena Center but noted her concern regarding the proposed Jessie Street Substation location for the Museum

because of safety reasons and the building may require extensive seismic work.

Ms. Sause indicated that by the time that site is developed, other projects will have been completed and the area will be much safer.

Mr. Helfeld indicated that, although it will be expensive to refurbish the Jessie Street Substation, it could be equally expensive to buy a piece of land and build a new building.

Acting President Ong announced that there would be a Closed Session pursuant to Government Code Section 54957 on Personnel.

There is an additional Closed Session item that arose subsequent to posting of the agenda on Friday, July 23, 1993. Pursuant to Government Code Section 54954.2 (b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

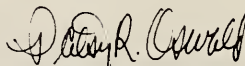
MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS ITEM AROSE AFTER POSTING OF THE AGENDA ON JULY 23, 1993.

This item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at Sixth and Minna Streets in the South of Market and the entity the Agency may negotiate is Minna Street Associates.

ADJOURNMENT

It was moved by Ms. Bolanos, seconded by Mr. Kouba, and unanimously carried that the meeting be adjourned to Closed Sessions on Personnel and Real Property Negotiations. The meeting adjourned at 5:35 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

September 21, 1993

JAN 21 1994

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
3RD DAY OF AUGUST, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 3rd day of August, 1993, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Sonia S. Bolanos
Leroy King
Gary Kitahata
Jon Henry Kouba
Clarence R. Stern

and the following was absent:

Leslie T. Schilling (Arrived 4:15 p.m.)

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: John Buss, Hampshire Properties; Dwight Kinnard; and Ted Dietsfrey, Director, Mayor's Office of Housing.

APPROVAL OF MINUTES

Mr. Kitahata noted a correction to the April 27, 1993 minutes and requested they be removed from the approval list and brought back after correction is made.

It was moved by Mr. Kitahata, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meetings of May 4, 11, and 25, 1993 and the minutes of the Special Meetings of May 19, 24 and 28, 1993 and the minutes of the Closed Sessions of May 4 and 28, 1993, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS - CONSENT AGENDA

THE ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE VOTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Approving the assignment and transfer of all right, title and interest in the Agreement for Disposition of Land for redevelopment in connection with the development of Parcel G-5, located on the easterly side of Diamond Street, South of Beacon Street, and the sale of said parcel by Kyong Sun Castaneda

(Buchbinder) to James F. Kelly and Neil J. Kelly; Diamond Heights Area B-1.

- (b) Authorizing a First Amendment to the Agreement for Disposition of Land for redevelopment with James F. Kelly and Neil J. Kelly in connection with the development of Parcel G-5, located on the easterly side of Diamond Street, south of Beacon; Diamond Heights Area B-1.
- (c) Authorizing a First Amendment to the Agreement for sale and purchase of real property with Goodwill Industries of San Francisco, San Mateo and Marin Counties, Inc. for the purchase of property located at 474-491 Natoma Street and 980 Howard Street; South of Market.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a), (b) AND (c), RESOLUTION NUMBERS 151-93, 152-93 AND 153-93, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (d) Jack Robertson, Housing Development Specialist, introduced item (d), which requests authorization of a \$2.885 million funding commitment to The Knox Partners Limited Partnership for the development of affordable housing at 241 Sixth Street in the South of Market. An LDA was authorized in 1991 with Tenants and Owners Development Corporation (TODCO) which was subsequently assigned to the project's development entity, The Knox Partners Limited Partnership for the development of 140 affordable single-room occupancy units at 241 Sixth Street. The property was conveyed to the developer in December 1992. A \$2.1 funding commitment, approved in September 1992, expired on June 30, 1993 and, based upon changes in the project's financing program since last year and recent negotiations with the State financing program officers, it is now recommended that a new funding commitment in an amount not to exceed \$2.885 million be approved through October 1, 1993. It is also proposed that up to \$900,000 of this commitment be made available to allow for construction commencement prior to the loan closings of the other financing sources, provided that all other financing sources have submitted funding commitments and are proceeding towards closing. The availability of Agency funds prior to the other construction loan closings is critical to keep the project on schedule to be completed by December 1994, which is required under the low-income housing tax credit regulations.

Ms. Schilling arrived at this time, 4:15 p.m. during staff presentation.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 154-93 BE ADOPTED.

- (e) Helen Sause, Project Director, Yerba Buena Center, introduced item (e), which requests authorization of negotiations with KTB Realty Partners, Inc. (KTB) to provide Management, Security,

Operations and Maintenance Services for the Gardens on Central Block 2 (CB-2) in Yerba Buena Center. Following interviews and evaluation of four short-listed firms and their proposed subcontractors, the Selection Panel recommends KTB to provide these services. The Panel based its recommendation on: the strength of the team of subcontractors assembled by KTB; the experience of key management personnel; the thorough approach to the operational needs of the CB-2 gardens; comparable experience in managing the large complex of gardens and buildings at the Fillmore Center; and a very high involvement of minority and woman-owned businesses, including KTB itself and all its major subcontractors. Current funding for the operations of the Garden is derived primarily from Marriott Hotel lease revenues. The budget proposed by KTB is within available funding amounts and within the Agency's projected budget for the Gardens' operations.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 155-93 BE ADOPTED.

- (f) William Rumpf, Chief, Housing Production and Management, introduced item (f), which requests authorization of a Professional Services Contract with the San Francisco Housing Development Corporation (SFHDC) for the period July 1, 1993 through June 30, 1994, in an amount of \$200,000, for homeownership counseling, loan processing and other housing services in connection with the Hunters Point Affordable Homeownership Program. The Agency has funded SFHDC since late 1990 and \$200,000 is in the Agency's 1993-94 budget for marketing housing services and assistance to prospective low and moderate income buyers. The contract has been administered by the Mayor's Office of Housing and, while Agency and Mayor's Office staff discuss how this year's contract will be administered, it is recommended that an initial advance not to exceed \$35,000 be disbursed by August 6 so SFHDC can meet certain immediate cash flow needs. SFHDC has been in full operation for approximately two years and during the first year provided information on the Homeownership Program to over 1,000 San Francisco residents and there is a continuing need for these services.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 156-93 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Gene Suttle, Senior Deputy Executive Director, indicated that the Agency's Strategic Plan hearing before the Board of Supervisors is scheduled for August 9, 1993 at 3:00 p.m. Staff and the Commissioners are scheduling appointments with the Supervisors to brief them on the Strategic Plan before August 9.
- (b) Mr. Suttle noted that groundbreaking ceremonies were held on July 20, 1993 for Fillmore Marketplace, a 120 unit low-income rental

development which will be located at Webster and Eddy Streets in the Western Addition.

- (c) There is a possibility that the San Francisco Museum of Modern Art may not want to use the Jessie Street Substation as part of their program, which site may be appropriate for use by the Jewish Museum. The Jewish Museum has toured the site and is very interested. It may be 45-60 days before the Museum of Modern Art makes a decision regarding the site.
- (d) Mr. Helfeld and Ms. Ong welcomed Kent Sims and his staff who are now the Economic Development Department of the Redevelopment Agency.
- (e) The bonds for the Children's Place will be before the Finance Committee of the Board of Supervisors on August 11, 1993.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) John Buss, Hampshire Properties, encouraged the Agency to put out Request for Proposals (RFP) for Parcel 2-C in Yerba Buena Center with the Jewish Museum included or, as an alternative, without the Jewish Museum included and, since this is mainly a financial transaction, there is only a need for 90 days to submit the RFP, not 120 days.

After a discussion between the Commissioners and staff, the Commissioners requested that staff move forward with an RFP for Parcel 2-C and submit a draft to them within two weeks.

- (b) Dwight Kinnard inquired who would be in control of the Hunters Point Shipyard and requested that he be the Harbor Master at the Shipyard and asked for Commission support.

Mr. Helfeld indicated that the Shipyard is still under negotiations with the Navy.

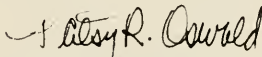
- (c) Ted Dientsfrey, Director, Mayor's Office of Housing, thanked the Commissioners for their support of the TODCO development at 241 Sixth Street in the South of Market.

Ms. Ong announced that there would be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned to a Closed Session on Personnel. The meeting adjourned at 5:50 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

January 18, 1994

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
10TH DAY OF AUGUST, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 10th day of August, 1993, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Sonia S. Bolanos
Gary Kitahata
Jon Henry Kouba
Leslie T. Schilling

and the following was absent:

Leroy King (4:08 p.m.)
Clarence R. Stern (Arrived 4:10 p.m.)

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Rebecca Kohlstrand and Larry Badiner, City Planning Department; Rick Mariano, Chair, Citizens Advisory Committee for Rincon Point-South Beach; John Woodbury, A.C. Transit Board of Directors; Stuart Sunshine, Mayor's Office; Steven Vettel, Gladstone & Vettel and representing property owners in the South Beach area; Joseph Kaufman and Terry Hogan, North of Market Planning Coalition; Jim Haas, South Beach-Rincon Hill Advisory Committee; Robert Meyers, representing owners on Folsom Street; Emilio Cruz, Office of Chief Administrative Officer; Sue Hestor, Attorney for the North of Market Planning Coalition; Kelly Cullen, Executive Director, Tenderloin Neighborhood Development Corporation and member of the North of Market Planning Coalition; Lewis Clinton, San Francisco Housing Development Corporation; Marcia Rosen, Lawyers' Committee for Civil Rights; Geraldine Johnson; Lefty Gordon, Ella Hill Hutch Community Center; and Essie Collins.

Representing the press were: Gerald Adams, San Francisco Examiners; and Martin Espinoza, San Francisco Bay Guardian.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), the purpose of which is for a presentation of a report to the Mayor by the Department of City Planning and supporting a resolution from the Mayor to the Board of Supervisors of the City and County of San Francisco for their action on matters related to alternative ramp replacement systems

for the Terminal Separator Structure and alternatives to the full rehabilitation of the Transbay Terminal. The Commissioners have been provided with a report to the Mayor prepared by the Department of City Planning in cooperation with other City departments, including the Redevelopment Agency, which analyzed various alternative ramp replacement systems for the Terminal Separator Structure and discussed issues related to the Transbay Terminal. This report was prepared pursuant to a resolution by the Board of Supervisors which directed that alternatives to the freeway ramps from the Bay Bridge and I-80/US 101 be developed. The Mayor has submitted a resolution to the Board for action on August 23, 1993 requesting Caltrans to cooperate with the City in examining alternative replacement designs for the Terminal Separator Structure, requesting City staff to undertake certain tasks pursuant to that request and continued examination of alternatives to the full rehabilitation of the Transbay Terminal.

Rebecca Kohlstrand, City Planning Department, made a presentation on transportation, scheduling and funding issues and Larry Badiner, City Planning Department, made a presentation on land use issues.

Mr. King arrived at 4:08 p.m. and Mr. Stern arrived at 4:10 p.m., during the presentations.

The following persons spoke regarding item (a): Rick Mariano, Chair, Citizens Advisory Committee for Rincon Point-South Beach (RP-SB CAC); John Woodbury, A.C. Transit Board of Directors; Stuart Sunshine, Mayor's Office; Steven Vettel, Gladstone & Vettel and representing property owners in the South Beach area; Joseph Kaufman, North of Market Planning Coalition; Jim Haas, South Beach-Rincon Hill Advisory Committee; Robert Meyers, representing owners on Folsom Street; and Emilio Cruz, Office of the Chief Administrative Officer.

Mr. Mariano noted that the RP-SB CAC by resolution at its July 14, 1993 meeting urged the City to instruct Caltrans to: (1) to continue with the demolition of the earthquake damaged Terminal Separator such that the structure be taken down at the earliest possible time; and (2) not to go forward with the re-construction of the Terminal Separator in the same configuration as it existed prior to the October 1989 earthquake, but rather that the City convene a study group, to include representation of this Citizens Advisory Committee, to examine the impacts of the reconstruction and/or reconfiguration of this structure and further, to take into account in said study the roads leading into and out of the East Bay Terminal such that a final plan for both roadways, or elimination of same, is brought forth to reflect the changing nature of the down area, the Rincon Point-South Beach neighborhood and other affected neighborhoods. It was resolved by the Committee at the July 14 meeting, after seeing the alternative configurations proposed, that it is inalterably opposed to the construction of any free/bridge ramp south of the Bay Bridge on Bryant Street as shown on Alternative 2 and would

be similarly and firmly opposed to any other alternative which identified any new off-ramp in the area bounded by Third Street, Byrant Street and the Embarcadero. He noted that Alternative 2, the Byrant Street off-ramp, will increase traffic and be detrimental to a good neighborhood that has been developed with affordable and market rate housing.

In response to concerns expressed by Mr. Woodbury, Mr. Sunshine noted that reference to studies of the Transbay Terminal will be eliminated in the resolution to be submitted to the Board of Supervisors.

Mr. Vettel requested that Alternative 2 be totally eliminated from further analysis and consideration because it has significant environmental impacts on projects in the Rincon Point-South Beach area.

In response to an inquiry from Mr. Stern, David Madway, Agency General Counsel, indicated that the Agency statement of support could recommend a certain portion of the Mayor's resolution be eliminated.

Mr. Sunshine noted that the Mayor's resolution does not specify preferred alternatives. There will be a scoping process and an opportunity for public comment.

In response to an inquiry from Ms. Schilling, Mr. Vettel indicated that meetings had been held with representatives of City Planning who indicated Alternative 2 would be eliminated later, however, it is preferred it be rejected.

In response to an inquiry from Ms. Schilling, Mr. Helfeld indicated that this Commission has had a twelve year commitment to this neighborhood in which private enterprise has a significant investment and in his opinion the public and private investment in the area should be supported. He indicated he did not believe it would harm the process for the Commission to express its concern about a project area the Agency has been working on for many years.

Mr. Haas noted that the important issue is the terminal separator and it is important for the Board of Supervisors to endorse the resolution. He requested the Commission approve the resolution and make a statement of alternatives that are supported or not supported.

Mr. Meyers noted that the property owners desired for many years to have the terminal separator removed. He requested the Commission endorse the resolution and go on record as opposing Alternative 2, rather than requesting it be eliminated because he did not believe it would be prudent to ask it be dropped from further consideration since Fisherman's Wharf will want other alternatives dropped that do not provide access to the Embarcadero. He expressed appreciation to City Planning staff

who have made presentations to every Commission in the City and produced the report in a most expeditious manner.

Commissioners Kitahata and Stern noted their support of the CAC's position because Alternative 2 will have a detrimental impact on the South Beach residential area.

Ms. Schilling suggested there be two separate resolutions, one supporting the Mayor's recommendation to the Board of Supervisors, as amended, and another supporting the RP-SB CAC's position on Alternative 2.

ADOPTION: IT WAS MOVED BY MS. SCHILLING, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 162-93 SUPPORTING THE RP-SB CAC'S RESOLUTION DATED JULY 14, 1993 (WHICH IS ATTACHED TO RESOLUTION NO. 162-93) TO ELIMINATE ALTERNATIVE 2, INCLUDING THE OFF-RAMPS ON BRYANT STREET, BE ADOPTED, AND THAT THE CAC IS COMMENDED FOR THEIR EFFORTS.

Mr. Kitahata indicated that the strategic planning process views the Transbay Terminal/Terminal Separator as a potential redevelopment project area. Clearly it is not within the Redevelopment Agency's jurisdiction to determine the transportation access issues, however, the land use that might be opened up by whatever alternative is adopted would be a perfect area for the Redevelopment Agency to work on and the first step would be to declare a survey area.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. STERN, THAT STAFF BE DIRECTED TO PLACE ON THE AGENDA FOR THE NEXT COMMISSION MEETING ADOPTION OF A RESOLUTION REQUESTING THE MAYOR AND THE BOARD OF SUPERVISORS TO ESTABLISH THE TERMINAL SEPARATOR/TRANSBAY TERMINAL AREA AS A REDEVELOPMENT SURVEY AREA.

A vote was not taken on this motion.

Mr. King noted his opposition to the motion because there needs to be citizen support and a public hearing process.

Mr. Kitahata indicated that this is not a new issue as it has been before the Strategic Planning Committee for some time and it is the beginning of a very long process.

Mr. Cruz indicated that currently all the property is owned by the State and there needs to be certainty whether the State would be willing to transfer that property to the City before consideration is given to future plans for survey areas.

Mr. Helfeld noted that the Agency does have special abilities to negotiate with the State and suggested staff report back to the Commission within two weeks on all issues before there is a request for a survey area.

Mr. Kitahata indicated the report should include an analysis of whether it is appropriate to act now.

Mr. Kouba noted that there should be an opportunity for public discussion.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 157-93, AS AMENDED, BE ADOPTED.

Acting President Ong announced that there would be a brief recess. The meeting recessed at 5:50 p.m. and reconvened at 5:55 p.m. with the same roll call.

- (b) Helen Sause, Project Director, Yerba Buena Center, introduced item (b), which requests authorization to establish a YBG Policy Advisory Committee for oversight of security, operation and maintenance issues on Central Blocks 2 and 3 (CB-2 & CB-3) and appointment of members thereto in connection with Yerba Buena Center. For the past three years staff has been working with the YBG Policy Advisory Committee on issues related to the development of CB-2 and CB-3. This group is comprised of the "Stakeholders" in the Yerba Buena Gardens Project and the action being requested will formally establish this Committee, which will provide ongoing community representation and guidance on issues of importance to the successful operation of the Gardens. During the past few months, staff has been meeting with the Committee on a regular basis on issues related to the start-up operations of the Gardens, which include: the scope of services for the Request for Proposals for the operator of the gardens' management contract; the code of rules and regulations for the Gardens; and programming of the Gardens. The Committee, which will be advisory to the Agency, will play an important ongoing role in resolving common problems and providing guidance when the Gardens open.

Mr. Kouba inquired whether there will be a review of the membership for other stakeholders who appear on the scene and Ms. Sause indicated that as events occur staff will bring recommendations for additions to the Committee to the Commission.

MOTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 158-93 BE AMENDED TO INDICATE THAT ADDITIONAL STAKEHOLDERS BE RECOMMENDED TO THE COMMISSION AS APPROPRIATE.

Sue Hestor indicated that the Commission should make clear to groups of this nature that they may not take policy decisions outside boundaries.

Mr. Helfeld indicated that this is an advisory committee and they cannot be prevented from taking independent positions on other matters.

Ms. Ong indicated that the Commission is appointing the members and if they take a position outside jurisdictions it must be on an individual basis, not representing the Commission or the Agency.

ADOPTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 158-93, AS AMENDED, BE ADOPTED.

- (c) Olsen Lee, Mayor's Office of Housing, introduced item (c), which requests authorization of an Amendment to Predevelopment Loan Agreement with Housing Development and Neighborhood Preservation Corporation (HDNPC), which extends the default date and increases the loan amount by \$398,768 for preconstruction expenses, in connection with the development of 109 units of first time ownership housing at 101 Valencia Street as part of the Citywide Tax Increment Housing Program. Since being allocated \$2 million for site acquisition during the initial round of the Citywide Tax Increment Housing Program, HDNPC has secured predevelopment loans from the Agency, the Low Income Housing Fund and the Mayor's Office of Housing in the amounts of \$75,000, \$1.371 million and \$383,000 respectively. The developer has a construction loan request pending at Wells Fargo Bank and the predevelopment loan will be repaid at the time of construction loan funding. The Citywide Housing Loan Committee has approved the requested predevelopment loan. Sales prices will range from \$85,000 for a studio to \$215,000 for a four bedroom unit and half of the units will be sold to households earning less than 80 percent of median income. All units will be subject to resale restrictions giving the City a right of first refusal and a promissory note, including all subsidies provided per unit, so that upon resale the loan repayments can be used to qualify subsequent loans on moderate-income purchasers for the homes.

Mr. Lee responded to questions from Mr. Kitahata regarding financing for the project and indicated that additional funding will be from the Citywide Tax Increment Housing Program or Home Funds.

Mr. Kitahata indicated he would prefer to see Home Funds used, given the uncertainty of the availability of TIHP funds.

Mr. Lee indicated that funding is being looked at in perspective with other projects that have been identified through CHAS or priorities of the Commission and the entire housing needs of the City are being taken into consideration.

In response to an inquiry from Mr. Kitahata, Mr. Helfeld indicated that Kent Sims has been replaced by Eleanor Jacobs, the Mayor's Homeless Coordinator, on the TIHP Loan Committee and Jim Lazarus has replaced Mr. Sims as the Mayor's representative on the Strategic Planning Committee.

Mr. Helfeld introduced Al Borvice, HDNPC.

ADOPTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 159-93 BE ADOPTED.

- (d) William Rumpf, Chief, Housing Production and Management, introduced item (d), which requests approval of a modification to

the Affordability Provision of the Agency's Housing Participation Policy for Parcel 714-A(2) located at the northwest corner of Van Ness Avenue and Myrtle Street in the Western Addition A-2. In December 1992, a Request for Expression of Interest was extensively advertised for market-rate residential housing over ground floor commercial space and five responses were received by the due date of February 5, 1993, two of which were substantially responsive. Commission authorization was conditioned on the limitation that the proceeds from the land sale would be used to produce affordable housing elsewhere in the Western Addition A-2. This condition was an exception to the Agency's Housing Participation Policy which sets a target of 40 percent of units on-site for Agency-owned parcels and developers were informed that this requirement was being waived in this instance. It was staff recommendation that using the sales proceeds off-site would result in deeper affordability and unit types more suited to lower-income families, however, at the June 22, 1993 meeting when staff recommended a developer for exclusive negotiations, objections were raised by representatives of the North of Market Planning Coalition and other North of Market residents to the modification of the policy and the fact that it had not been discussed at a public meeting. It was also their contention that properties along Van Ness Avenue are part of the North of Market area and therefore any development of this area would impact that area. The North of Market representatives advocate the goal of integrating market-rate and affordable units in the same building as embodied in the Housing Participation Policy, however, staff believes that using the full market-rate value of the land sales proceeds to produce off-site units is a better affordable housing strategy because it will result in lower cost housing being produced in a location that is better suited for families with children.

The following persons spoke regarding item (d): Sue Hestor, Attorney for the North of Market Planning Coalition; Kelly Cullen, Executive Director, Tenderloin Neighborhood Development Corporation and member of the North of Market Planning Coalition; Lewis Clinton, San Francisco Housing Development Corporation; Terry Hogan and Joseph Kaufman, North of Market Planning Coalition; Marcia Rosen, Lawyers' Committee for Civil Rights; Geraldine Johnson; Lefty Gordon, Ella Hill Hutch Community Center; and Essie Collins.

Ms. Hestor noted her concern that a decision to waive a policy was made in Closed Session to a policy that was determined in open session and implemented. She indicated that the reason people fought for on-site affordability is to prevent gentrification and the Tenderloin is affected because it is on the borderline of the Van Ness corridor.

Mr. Cullen indicated his concurrence with Ms. Hestor's comments. He noted his concern at the lack of notification on this important issue waiving the requirement of 40 percent affordable housing on-site, which she opposes. He requested that in the

event housing is built on-site, it serve the Western Addition and the Tenderloin.

Mr. Clinton, Ms. Johnson, Mr. Gordon and Ms. Collins noted their support of item (a) and that any proceeds should be kept for use within the Western Addition.

Ms. Hogan noted her concern regarding the inadequate handicapped accessibility to the Agency's offices and that decisions should not be made behind closed doors because there needs to be public input. She indicated the Van Ness corridor should have a mixed community and not be reserved for the rich.

Ms. Rosen noted her concern that the inclusionary housing policy was implemented after a public hearing process and this item should have been calendared as review of the policy because if it is not working the public should know. She indicated that the Lawyers' Committee for Civil Rights has taken the position that any proceeds should remain within the Western Addition.

Mr. Kaufman indicated that any proceeds should be divided between the Western Addition and the Tenderloin.

Ms. Johnson indicated she would like to reiterate for the record that the funds will remain in the Western Addition and not be divided.

Ms. Schilling left the meeting at 6:55 p.m., during the speaker presentations.

Mr. Stern indicated he would like to remind the public the land has been vacant for some time and the waiver is to make it possible for it to be developed so money will be generated.

Mr. Kouba and Mr. Kitahata noted their support of staff recommendation because it will create more affordable housing in the Western Addition, however, staff should examine the inclusionary housing policy and if it is to be changed public hearings held.

Ms. Ong indicated that the policy needs to be reviewed to determine whether it is working, however, there is a need to follow the policy now in place and she would not support waiving the requirement for affordable housing on-site.

Mr. King noted his support of staff recommendation and indicated there is no question the proceeds will go to the Western Addition for affordable housing.

Mr. Kitahata indicated that if there is a pattern, the policy may need to be reviewed, but he would support this resolution.

Mr. Stern indicated that policies have merit, however, there should be an option to make exceptions when warranted.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KITAHATA, THAT RESOLUTION NO. 160-93 BE ADOPTED AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. King
Mr. Kitahata
Mr. Kouba
Mr. Stern

AND THE FOLLOWING VOTED "NAY":

Ms. Ong
Ms. Bolanos

AND THE FOLLOWING ABSTAINED:

None

THE ACTING PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (e) William Rumpf, Chief, Housing Production and Management, introduced item (e), which requests approval to waive the Affordability Provision of the Agency's Housing Participation Policy for Site F-1 located at the southwest corner of Delancey and Bryant Streets in Rincon Point-South Beach. Four responses to a Request for Qualifications were received from developers interested in constructing ownership housing on the site. In discussions with the prospective developers and in accordance with staff's analysis of this site which will be difficult and costly to develop because of its steep, rocky terrain, it has been concluded that imposition of the Affordability Provision would substantially reduce or eliminate any land proceeds to the Agency and potentially render an already difficult project infeasible. Upon approval to waive the Policy's affordability provision of having 40 percent of the units affordable to low- to moderate-income households, staff will prepare a Request for Proposals for the four responsive developers. In the event the Commission decides to require the affordability provision then staff would initiate a new developer selection process.

The following persons spoke regarding item (e): Sue Hestor; Lewis Clinton; Kelly Cullen; and Robert Meyers, Planning Consultant to Bob O'Connor.

Ms. Hestor, Mr. Clinton and Ms. Cullen noted their opposition to the waiver because a public forum should be held if the policy is going to be changed.

Mr. Meyers noted that Mr. O'Connor, who is purchasing 540 First Street, will be responding to a Request for Proposals and supports staff position on waiving the inclusionary housing policy on this site, which will be very difficult to develop.

MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT ITEM (e), RESOLUTION NO. 161-93, BE

CONTINUED AND A WORKSHOP ON THE AGENCY'S AFFORDABLE HOUSING INCLUSIONARY POLICY BE SCHEDULED FOR AUGUST 24, 1993.

Mr. Stern left the meeting at this time, 7:40 p.m.

REPORT OF THE PRESIDENT

- (a) Ms. Ong noted the importance of Commission participation in the opening celebration of Yerba Buena Gardens and requested the Commissioners be provided with the most recent schedule of events.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) By action of the Commissioners, Shirley Wysinger was promoted to Project Coordinator for the Hunters Point/India Basin and Western Addition Redevelopment Project areas. Byron Rhett, who held this position previously, will devote his time to the Hunters Point Naval Shipyard Project.
- (b) The Budget Committee of the Board of Supervisors will consider the bonds for the Children's Facilities, the Mexican Museum and the Moscone Convention Center in Yerba Buena Center on August 11.
- (c) The Government Efficiency Committee of the Board of Supervisors will hold a hearing on August 18 regarding the Grand Jury report on the Housing Authority-Redevelopment Agency consolidation.
- (d) Jim Lazarus has been appointed as the Mayor's representative to the Strategic Planning Committee in place of Kent Sims. Since Mr. Lazarus cannot attend the meeting scheduled for August 13, it is suggested it be postponed.

Mr. Kitahata indicated his concurrence that the meeting be postponed and noted the importance of the attendance of Supervisor Kennedy and Mr. Lazarus at the next meeting.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from Ms. Bolanos, David Madway, Agency General Counsel, indicated he would make arrangements with Mara Rosales of the City Attorney's Office regarding moving forward with finalizing the legal services policy.
- (b) Ms. Ong inquired regarding tape recording Closed Session meetings and Mr. Helfeld indicated the issue had arisen as to whether the meeting should be taped when a personnel matter is being discussed.

In response to an inquiry from Ms. Ong, Mr. Madway indicated that the tapes are available to the Commissioners or could be required to be available if a court proceeding is involved.

Minutes of a Regular Meeting, August 10, 1993

It was the consensus of the Commission that entire Closed Sessions be tape recorded.

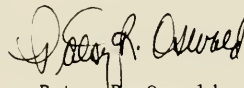
Acting President Ong announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at 55 Fourth Street in Yerba Buena Center and the entity the Agency may negotiate with is the Marriott Hotel.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. Kouba, seconded by Mr. King, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations and Personnel. The meeting adjourned at 7:50 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy B. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy B. Oswald
Agency Secretary

APPROVED

September 28, 1993

8/17/93

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
17TH DAY OF AUGUST, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 17th day of August, 1993, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Sonia S. Bolanos
Leroy King
Gary Kitahata
Jon Henry Kouba
Leslie T. Schilling
Clarence R. Stern

and the following was absent:

None

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Donald Cahen, representing the Jewish Museum; John Buss and Redmond Kernan, Hampshire Properties, Inc.; Jeffrey Heller, Architect; Essie Collins; and Ace Washington, Community News Service and WAPAC.

Representing the press was: Gerald Adams, San Francisco Examiner; John King, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meetings of: April 27 and June 1, 1993; the Special Meeting of May 19, 1993; the Closed Session Meetings of June 1 and July 6, 1993; and the Special Closed Session Meetings of July 6 and 13, 1993, be approved.

NEW BUSINESS- CONSENT AGENDA

THE ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE VOTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing a First Amendment, which defers interest-only payments, to two Loan Agreements with Hospice by the Bay in connection with the development of a 51 bed facility for persons

with HIV/AIDS located at 141 Leland Avenue as part of the Citywide Tax Increment Housing Program.

- (b) Authorizing a repayment date extension of a Predevelopment Loan to Housing Neighborhood Preservation and Neighborhood Development Corporation in the connection with the development of affordable housing on Agency-owned land located at 7th and Natoma Streets; South of Market.
- (c) Authorizing a Fourth Amendment to the Agreement for Disposition of Land for development with GP/TODCO in connection with the property located at 241 Sixth Street; South of Market.
- (d) Approving an amendment to the Grant Agreement with the Mexican Museum which changes the use of \$50,000 allocated to them from the Agency's 1992-93 budget; Yerba Buena Center.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) THROUGH (d), RESOLUTIONS NUMBERS 163-93 THROUGH AND INCLUDING 166-93, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (e) Mr. Helfeld introduced item (e), which requests authorization of the issuance of a Request for Proposals (RFP) to prospective developers and approving advertising expenses in an amount not to exceed \$10,000 for advertising expenses in connection with the offering for the purchase and development of Parcel EB-2C located at the northeast corner of Third and Howard Streets in Yerba Buena Center. It is proposed to extensively advertise the RFP for development of the site as a residential or hotel development which may include the Jewish Museum to assure public awareness of this development opportunity. On June 8, 1993, negotiation of a non-binding Memorandum of Understanding with the Jewish Museum was authorized in connection with its desire for museum space and to memorialize its role in the development of the site. On June 8, 1993, a resolution was adopted determining that the appropriate land uses for the offering of the site shall be for development of housing or a hotel which may include a museum use. On June 29, Museum representatives requested that the RFP be modified to include a preference for a museum in the development. The RFP process will seek residential or hotel development proposals, either of which may include the Museum. If a mixed-use development is proposed, approximately 252,000 square feet is available for residential or hotel use and the remaining 38,000 square feet of the lower floor of the development may be devoted to the Museum or other appropriate use. The RFP provides that where developers equally meet the established criteria for selection of a developer, a proposal that also includes the Jewish Museum will be given preference, however, it further provides that the Commission may choose to take into account the non-monetary value of a cultural facility on the site. The RFP establishes a land price of \$7.7 million to be paid at the time of conveyance of the site and provides 120

days from issuance of the RFP for potential developers to submit their qualifications and proposals. The Commissioners have been provided with the RFP selection criteria and with staff's comments in response to issues raised by representatives of Hampshire Properties, Inc., a potential hotel developer.

In response to an inquiry from Ms. Schilling regarding the Jewish Museum being on the first two floors, Mr. Helfeld indicated that a condition of participation by the Jewish Museum is their having ground floor access, however, if a developer could satisfy the Museum, this condition could be reviewed.

Ms. Schilling noted her concern at the wording on page 5, Section I, C (3) indicating the museum space must be accommodated on the first and second floors of the building and she would like to see more flexibility.

Mr. Kouba indicated that language should be modified to add the phrase "unless the parties otherwise agree".

A discussion ensued between the Commissioners and staff regarding reducing the 120 day response period and the possibility of extending the deadline for submission of proposals, should the need arise.

Mr. Helfeld and Richard Kono, Chief, Development and Real Estate, indicated that the Agency has been criticized in the past for extending submission deadlines and the 120 day response period is considered to be reasonable in order to provide every possible opportunity for submission of proposals without an extension.

Mr. Stern indicated he would prefer a 120 day submission deadline to reduce the possibility of an extension.

The following persons spoke regarding item (e): Donald Cahen, representing the Jewish Museum; John Buss and Redmond Kernan, Hampshire Properties, Inc.; and Jeffrey Heller, Architect.

Mr. Cahen indicated that in light of the fact that the Jewish Museum strongly believes that the proposed RFP should support the concept of the participation of the Jewish Museum, the following amendments should be made: 1. On page 12, item (12), in lieu of the word "may choose to" substitute "shall". In addition, the next sentence, in lieu of the word "equally" insert after "criteria" the phrase "in a substantially equivalent manner". The Commission should now announce its decision that the value of a cultural facility shall be taken in account. Furthermore, since proposals are seldom truly "equal" the RFP should state that the Jewish Museum will be given preference in a proposal that may not be exactly "equal" to another proposal but is "substantially equivalent"; 2. item 4, page 5, after the word "considered" add "taking into account the non-monetary value of a cultural facility on the site"; and 3. item (c), page 9, insert a new item (2): "The statement of intention to include the Jewish Museum within the proposal, if appropriate".

Minutes of a Regular Meeting, August 17, 1993

Mr. Buss and Mr. Kernan noted their concerns regarding the RFP with respect to: language related to toxics, which should indicate return of the \$25,000 good faith deposit if toxics are found to be a problem and the issue of toxics should be left for negotiation; reference to "property tax" should be deleted and replaced with the word "tax"; the affect on the RFP by proposed Redevelopment Plan Amendments, which include increasing the density (FAR); since the uses are well defined, it is requested there be a shorter period of time for submission of proposals; not all exhibits referred to in the RFP were attached; and it would be preferred that the RFP indicate "may" not "shall" include the Jewish Museum.

In response to an inquiry from Mr. Stern, David Madway, Agency General Counsel, indicated that the 13.1 FAR has long been contemplated for this site and, essentially, the Commission has authority with regard to the FAR.

In response to an inquiry from Mr. Kouba, Mr. Helfeld indicated that in all cases the Commission makes a decision whether or not a deposit should be refunded.

In response to an inquiry from Mr. Kouba, Judy Eng, Real Estate Development Specialist, indicated that Exhibits J K and M will be ready within the next two weeks and will be part of the developer's packets.

Mr. Helfeld suggested that the Commission approve the RFP and the exhibits be provided to the Commission and the development community when completed. If concerns are raised then there will be an opportunity for further consideration.

Mr. Heller noted that he did not believe the proposed FAR would pose a problem and it is normal because of its residential ratio to site area. He indicated that in his experience there is an inevitable link between toxics and financing and, given the present economic times, the 120 day response period is appropriate.

In response to an inquiry from Mr. Kitahata, Mr. Helfeld indicated that toxics will be discussed during the exclusive negotiations period and the Commission can make a stipulation that the deposit is refundable if problems are encountered.

Mr. Kitahata indicated that the reference to "property tax" should be deleted and replaced with the word "tax". He noted that he is now willing to accept the language "provided that the Commission may choose to take into account the non-monetary value of a cultural facility on the Site", however, he is not comfortable with it and would object to stronger language.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 167-93 BE ADOPTED.

(f) Mr. Helfeld introduced item (f), the purpose of which is for consideration of the Agency's Strategic Plan. Issues to be considered at this point are: prioritization of the projects; timing and approach to reorganization; development of implementation plans, including legislative efforts; and continued public participation efforts. The Commissioners have been provided with: a summary of potential projects from Working Paper No. 3; communications from the Mayor regarding economic development and housing functions; and current economic development topics. The Mayor has assigned six roles to the Agency: (1) Project Formulation - Citywide economic development, for example, the needs of UCSF, San Francisco General Hospital, Mission Bay, Transbay/Terminal Separator, Northeast Mission Industrial Zone and base closures; (2) Policy Development - act as staff to the Mayor and Board of Supervisors in developing City economic policy; (3) Business Development - retention/attraction; (4) Additional Loan Program - Title IX and Enterprise Zone; (5) Economic Analysis and Information; and (6) Preparation of Economic Plans for specific neighborhoods. A response has been prepared in response to a request from Jim Lazarus of the Mayor's Office for a "timeline for the integration of the economic development functions into the Redevelopment Agency" indicating completion of the strategic planning process is approaching and it is anticipated a draft recommendation for the Mayor's Office, the Board of Supervisors and the public will be ready by early October. This will redefine the mission of the Agency to add the economic development functions assigned by the Mayor and a name change will also be recommended at that time.

An extensive discussion ensued between the Commissioners and Mr. Helfeld regarding the strategic planning process in relation to: the expansion of the Agency's economic development functions; new economic missions; and project priorities.

In response to an inquiry from Mr. Stern, Mr. Helfeld indicated that with regard to items (5), economic analysis and information, and (6), preparation of economic plans, the Agency does not have sufficient personnel and it is not believed staff could be expanded for that purpose.

Mr. Stern suggested it be indicated to the Mayor that the Agency is willing to undertake the roles listed, however, (5) and (6) are subject to the availability of funds and personnel.

Kent Sims, Deputy Executive Director, Economic Planning and Development, indicated that it is the Mayor's desire to focus all economic activities in one agency and he has suggested eventually the Agency will be renamed an economic agency. One of the reasons the Mayor has included the function of economic analysis is a concern that the City in general in its entirety has placed a rather low value on information in making decisions, particularly economic information, and it was hoped that could be fulfilled at this Agency. At the same time it is agreed because of lack of money this is a short and long term vision, but a vision the Mayor has for the Agency as it begins to demonstrate a

capacity in these areas to do something which the citizens of San Francisco will find very useful. With regard to the preparation of economic plans for specific neighborhoods, it is not believed the Mayor's letter to the Board of Supervisors focused on just specific neighborhoods, but that an economic development plan for the City as a whole is needed.

Mr. Helfeld indicated that every Mayor has talked about starting a major overall economic plan but it never gets done.

Mr. Stern indicated that, although this has come up many times in the past, it is important to keep the vision alive and because it has not happened does not necessarily mean it will never happen. This is the first time the Agency has been offered an opportunity to bring in an economic function.

Ms. Bolanos indicated that it should be remembered that in the short term there are not funds or staff to undertake this activity and it will be a challenge to integrate the economic functions that were not contemplated during the strategic planning process.

The following persons spoke regarding item (f): Essie Collins; Ace Washington, Community News Service and WAPAC; and John Elberling, TODCO.

Ms. Collins requested that any economic plan include a financial commitment to the Western Addition and Bayview/Hunters Point areas, which are unfinished. She noted that she has not followed the strategic planning process and suggested a workshop be held to provide information to the public.

Mr. Washington indicated that unfinished projects need to be completed before new projects are undertaken, specifically the Western Addition and Bayview/Hunters Point areas. He noted his support of the appointment of Shirley Wysinger to the position of Project Coordinator for the Western Addition and Bayview/Hunters Point Project Areas and the addition of new economic development staff to the Agency.

Mr. Elberling noted his concern that planning grants were announced for East Bay Cities during President Clinton's recent visit related to base closures, however, none were reported for San Francisco. He suggested the Federal Government be approached for planning grants for Hunters Point Naval Shipyard and Treasure Island. He indicated that he keeps hearing UCSF is going into the Northeast Mission Industrial Zone (NEMIZ) and, before the Agency becomes too involved, UCSF should be requested to appear before the Commission and outline their plans. In addition, if there are to be discussions on the future of the NEMIZ, it should be noticed on the agenda because there are a number of people who are interested in this controversial issue.

In response to an inquiry from Mr. Kitahata, Mr. Helfeld indicated that staff is working on securing planning grants related to base closures.

Mr. Kitahata indicated he believed the Commission should consider a resolution on the NEMIZ well before the Planning Commission holds its hearing and notice it sufficiently so there is community input. He requested a staff report on UCSF and Mr. Helfeld indicated Mr. Sims would make a presentation at the August 24 meeting.

Mr. Helfeld noted that the hearing on the NEMIZ by the Planning Commission is now scheduled for September 2.

Ms. Ong indicated that she would like approval of a response prepared to Jim Lazarus, Chief of Operations, Mayor's Office, indicating that it is expected a draft recommendation on the Strategic Plan will be completed by early October.

Mr. Helfeld noted that the key language in the letter is "assuming that meetings of the Strategic Planning Committee can be scheduled as needed" because a lot of meetings have been postponed due to the inability of Supervisor Kennedy and the Mayor's representative to attend the meetings.

Mr. Kitahata indicated that in his opinion the contents of the Mayor's letter about the long term structuring of the Agency is not consistent or appropriate with the strategic planning direction, but that could be because his bias is towards financing, not economics. Someone needs to be responsible for overall economic planning policy in the City and the Agency, City Planning, particularly the Mayor's Office, have a part to play. Although it would be nice for the Agency to take on that function, it is secondary and the top priority ought to be developing new project areas and being involved in redevelopment project areas in the City.

Mr. King indicated that he was opposed to taking action on the NEMIZ becoming a redevelopment project area without permission from the Mayor and the Board of Supervisors.

Mr. Stern noted that the letter had come from the Mayor so it has his approval.

Mr. Kitahata indicated that the process does not start unless the Agency prepares a project area to be developed, which means that it has to be certified by the Board.

Mr. Kouba indicated it is known existing projects have to be completed and great deal of thought has to be given to new project areas, where there is a need. Thought also has to be given to the Mayor's request to look at such projects as UCSF, the Transbay Terminal/Terminal Separator, etc.

MOTION: IT WAS MOVED BY MR. STERN THAT THE SIX ROLES SUGGESTED BY THE MAYOR BE ACCEPTED, HOWEVER, NUMBERS 5 AND 6 ARE SUBJECT TO FUNDING AND PERSONNEL.

A vote was not taken on this motion.

Ms. Ong indicated it was her understanding that the Commission has accepted the new economic functions and considered prioritizing UCSF, the Terminal Separator and base closures.

Ms. Bolanos indicated that indicated that the six functions were listed in the letter from Mayor Jordan to John Taylor, Clerk of the Board of Supervisors, when the Commission was discussing amending the budget to include integration of the Mayor's Office of Economic Planning and Development (MOEPD) into the Agency. Two items that need to be discussed in terms of the strategic planning process are economic analysis and information and preparation of economic plans because at this point as it now stands it is in contradiction with the strategic planning process. These issues have to be resolved and there has to be a process whereby they are examined to see if they are in the best interests of the Agency before they are accepted.

Mr. Stern indicated that a unique opportunity is being offered, which should be accepted, subject to the availability of resources and personnel.

Ms. Ong indicated that during the strategic planning process the Mayor's direction on integration of economic development into the Agency was not known and so it is apparent there has to be some rethinking within the strategic planning process to incorporate economic development and it was her understanding the Commission had accepted the Mayor's new mission for the Agency.

Ms. Bolanos indicated that the strategic plan contemplated a lot of economic development activity, however, this is different because it relates to restructuring and incorporating policy and planning parameters that may sometimes be the opposite of the traditional economic development role and there has to be careful consideration if it is proposed to expand beyond that role. She indicated that it was her recollection the Commission indicated support of the integration MOEPD into the Agency but did not indicate they accepted it because there were too many issues outstanding. She further noted that it is important to be consistent with the Agency's commitment to the community and a position can be taken on the NEMIZ when it comes before the Planning Commission.

Following further discussion, the following motion was made:

MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ALL ISSUES RELATED TO THE SIX ROLES ASSIGNED TO THE AGENCY BY MAYOR JORDAN BE REFERRED TO THE STRATEGIC PLANNING COMMITTEE.

REPORT OF THE PRESIDENT

- (a) Acting President Ong noted that Mayor Jordan has requested the election of officers be postponed until the beginning of next year and, with the concurrence of the Commissioners, she would serve the term out as Acting President.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT MS. ONG SERVE AS ACTING PRESIDENT UNTIL THE NEXT ELECTION OF OFFICERS.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On August 16, the Board of Supervisors voted in favor of the intent to use available hotel tax revenue to finance the Children's Facilities, the Mexican Museum and the Moscone Convention Center in Yerba Buena Center.
- (b) The Government Efficiency Committee of the Board of Supervisors will hold a hearing on August 18 on the Grand Jury Report that recommends consolidation of the Redevelopment Agency, the Housing Authority, Community Development and Economic Planning and Development, which report was released on June 10, 1993.
- (c) On August 19, 5:00 to 7:00 p.m., there will be a dedication of the mural recently completed at 980 Howard Street (former Goodwill Building site).
- (d) A letter has been received from the Superintendent of the Department of Public Works Bureau of Building Inspection putting the Agency on notice that a permit application must be filed with the Bureau within 15 days and begin abatement work within the next 30 days on the Williams Building at 695 Mission Street. The Commissioners have been provided with a letter from SOH & Associates, Structural Engineers, recommending the building be abated as quickly as possible. The estimated cost to temporarily reinforce the building is \$1.3 million and \$350,000 to demolish it. Staff recommendation that the building be demolished will be the subject of an action item before the Commission at the August 24, 1993 meeting and the appropriate historic groups will be notified.

In response to an inquiry from Mr. Kitahata, Bill Nakamura, Chief, Engineering and Rehabilitation, indicated that if a contract is advertised it would take four months, however, on an emergency basis it would be possible take bids the first week in September and start demolition in the latter part of September.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Kouba noted that Senator Dianne Feinstein has agreed to be the principal speaker at the forthcoming dedication of the Yerba Buena Gardens.

Acting President Ong announced that would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the northwest corner of Eddy and Webster Streets in the Western Addition A-2 and the entity the Agency may negotiate with is Fillmore Market Place Associates.

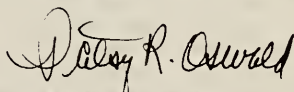
There will also be a Closed Session pursuant to Government Code Section 54956.9(a) concerning pending litigation in regard to Independent Housing Services vs. Fillmore Center, et al.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. Stern, seconded by Mr. King, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations, Pending Litigation and Personnel. The meeting adjourned at 6:20 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

October 19, 1993

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
24TH DAY OF AUGUST, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 24th day of August, 1993, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Sonia S. Bolanos
Leroy King
Gary Kitahata
Jon Henry Kouba
Leslie T. Schilling
Clarence R. Stern

and the following was absent:

None

The Acting President declared that a quorum was present.

Gene E. Suttle, Senior Deputy Executive Director, and staff members were also present.

Also present were: Rosa Rivera, Coordinator of the 24th Street Revitalization Committee; Jennie Rodriguez, President, 24th Street Merchants Association; Bob Planthold, Mission Neighborhood Center; Ricardo Noguera, Mission Economic Development Association (MEDA); Jay Smith, Mayor's Office of Community Development (MOCD); Jake Polosky, Mission Neighborhood Center; Daniel Shapiro, SOH & Associates; Vincent Marsh, Department of City Planning and Secretary to the San Francisco Landmarks Board; Mrs. Bland Platt, Foundation for San Francisco's Architectural Heritage; Virginia Conway; Sy Allen Browning, Southeast Economic Development Group; Artie Morgan; Naomi Gray, Western Addition/Fillmore Task Force; and Lurilla Harris.

Representing the press were: Gerald Adams, San Francisco Examiner; Philip Bookman, Gannett Newspapers; and John King, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Schilling, and unanimously carried that the minutes of the Regular Meetings of June 8 and 15, 1993, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS

- (a) Jack Robertson, Housing Development Specialist, introduced item (a), which requests authorization of a \$210,000 increase in the funding commitment to Mission Housing Development Corporation (MHDC) in connection with the development of 20 units of affordable family rental housing at 1290-1294 Potrero Avenue as part of the Citywide Tax Increment Housing Program. Subsequent to approval of a \$668,751 Agency commitment, the developer obtained a funding commitment from the State's Rental Housing Construction Program. The project site will also include a newly constructed Family Resource Center which will be developed separately and operated by Good Samaritan. The requested \$210,000, which has been approved by the TIHP Loan Committee, will enable MHDC to purchase the entire parcel for both the housing and the Family Resource Center. Acquiring the entire parcel at once will allow the housing and Family Resource Center to begin construction simultaneously, which will provide significant cost savings to the development of the housing and social services building. Staff recommends that approval of the \$210,000 funding increase be subject to: the Agency's \$210,000 land note being repaid before Good Samaritan starts construction on Phase 2 of its project; and a written commitment from the Episcopal Diocese to contribute the \$700,000 in land sale proceeds towards the Family Resource Center capital budget.

Edward Helfeld, Executive Director, arrived at 4:10 p.m. during Mr. Robertson's presentation.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 168-93 BE ADOPTED.

- (b) Lucia Mele, Economic Development Specialist, introduced item (b), which requests authorization of the Re-allocation of \$250,000 from the Western Addition Direct Loan Program for the expansion of the Small Business Recovery Fund, the Agency's Guaranteed Loan Program into the Western Addition Redevelopment Project Area and authorization to amend the Program Agreements with Wells Fargo and Bank of American Community Development Bank. At the time entered into program agreements with the banks for guaranteed loan programs in the South of Market, it was proposed by staff that, based upon the success of this program, that the Guaranteed Loan Program would be extended into other redevelopment project areas. By a vote of 7-0 the Western Addition Task Force voted to expand the guaranteed loan program into the Western Addition for an initial amount of \$250,000. The Commissioners have been provided with the Program Guidelines.

In response to an inquiry from Mr. Kitahata, Ms. Mele indicated that there is \$1.8 million from UDAG for the enterprise zone loan program, which essentially has the same program as the Agency's except it has no community participation with respect to approval of loans.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 169-93 BE ADOPTED.

- (c) Michele Davis, Housing Development Specialist, introduced item (c), which requests authorization of the issuance of a Request for Qualifications (RFQ) for the development of the Keith Street Parcel located on the south side of Keith Street at Hudson Avenue in Hunters Point and approval of advertising expenses in an amount not to exceed \$6,000. The Land Disposition Agreement (LDA) for this parcel, authorized in July 1981, was terminated due to the Developer's lack of performance. In October 1991, the Commission directed staff to proceed with acquisition of the property by making a negotiated purchase of the Developer's outstanding debt from the construction lender and the Agency regained possession of the property in November 1992. The parcel was originally targetted for market rate housing and will be offered for the development of a maximum of twelve market housing units through the RFQ process. It is proposed to offer the parcel for a 37-day period during which responses will be solicited with a deadline of September 30 1993 for submissions.

In response to an inquiry from Mr. Kitahata regarding the short response period, Mr. Helfeld, indicated that a quick reaction is expected because only a small number of housing units are involved.

Commissioners Kitahata and Schilling noted their support of the short response period.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 170-93 BE ADOPTED.

Mr. Kouba noted for the public record that one of the properties owned by his real estate investment company is within 2,500 feet of the last block on the west side of the 24th Street revitalization area. He indicated that it is his personal belief that the revitalization of 24th Street will not have any material financial impact upon the building, which is located at 812 Guerrero Street, and he would therefore continue to participate in discussions regarding the 24th Street revitalization area.

Mr. Helfeld indicated that persons wishing to speak on items (d) and (e) had not arrived and suggested the Commission proceed with the remainder of the agenda.

REPORT OF THE PRESIDENT

Acting President Ong reported to the Commissioners regarding the following matters:

- (a) Responses have been received to the Request for Proposals issued for a consultant in connection with executive director search.
- (b) Ms. Bolanos will report on a meeting held with Agency legal staff on Legal Services Contracts.

Ms. Bolanos provided background information and a status report and indicated that it is anticipated there will be a final proposal before the Commission on a Legal Services Policy in two months time. She recommended Mara Rosales, former City Attorney and now General Counsel for the Airports, who was instrumental in drafting the M/WBE policy for the City, explain the technical aspects of the policy because she has also been involved in preparation of the draft of the Agency's policy.

Ms. Ong noted that the proposed legal services policy is separate from the professional services contracts policy discussed several weeks ago.

In response to an inquiry from Ms. Ong, Mr. Madway indicated that a resolution prepared by Ms. Ong, Ms. Bolanos and Ms. Rosales, as well as the recommendations of Ted Wang, will be taken under consideration during preparation of the final policy recommendation which it is anticipated will be before the Commission in mid-October.

- (c) The Commissioners are reminded to submit invitation lists to staff for the Yerba Buena Gardens Opening Celebration scheduled for October 11 through 17.

NEW BUSINESS (Continued)

- (d) Lucia Mele, Economic Development Specialist, introduced item (d), the purpose of which is for a presentation by Rosa Rivera on the 24th Street Revitalization Program, the \$1 million funding for which is comprised of three components: \$720,000 for the Community Development Investment Fund property acquisition program; \$240,000 for the Small Business Loan Program; and \$40,000 for Public Space/Street Improvements.

Rosa Rivera, Coordinator of the 24th Street Revitalization Committee, made a presentation on the newly developed Strategic Plan of the 24th Street Revitalization Committee. She expressed appreciation to the Commission and staff for their support of the 24th Street revitalization program.

In response to an inquiry from Mr. Stern, Ms. Rivera described the difficulties encountered with liquor stores, which mostly cater to youth and sell cheap wine, and efforts being made to remedy the situation in cooperation with the merchants.

The following persons spoke regarding item (d): Jennie Rodriguez, President, 24th Street Merchants Association; Bob Planthold; Mission Neighborhood Center; Ricardo Noguera, Mission Economic Development Association (MEDA); Jay Smith, Mayor's Office of Community Development (MOCD); and Jake Polosky, Mission Neighborhood Center.

Mr. Noguera distributed a letter to the Commissioners dated August 24, 1993 requesting the Commission approve an additional

one-year contract extension for Ms. Rivera in an amount of \$40,000.

Ms. Bolanos expressed appreciation to Ms. Rivera for initiating this report. She indicated that she realized there had been some delay with the small business loan program due to a City department becoming involved in the lending process, however, after a year and a half of endeavor, the small number of loans approved is disappointing. In addition, the CDIF was established to enable non-profits to acquire buildings and since March when Mission Housing Development Corporation was approved, no others have come forward. Furthermore, there has not been a report on street improvements.

Ms. Mele indicated that three loan packages have been submitted, two of which were approved and the other has been referred to MEDA to be revised. Problems have been encountered with the transfer of the loan program from one department of the Mayor's Office to another. A Letter Agreement has now been executed between the Agency and the Mayor's Office of Community Development (MOCD), which provides the Agency will fund each loan. This means the Agency will fund the full amount and loan it to MOCD who will prepare the loan documents and distribute the amount to the borrower. With regard to the CDIF, the Agency has been paying on the construction program that was awarded to Mission Housing Development Corporation. Of three others submitted, one from Mission Neighborhood Center has been re-submitted and is being reviewed. The other did not qualify and the loan package has not yet been re-submitted.

Ms. Rivera indicated that with regard to the entryways, nobody is willing to pay \$2,000 a year for liability insurance required by the City. Requests have been made to various corporations and Supervisor Shelley is endeavoring to persuade the Board of Supervisors to pass legislation so the Department of Public Works can set aside the permit process as far as insurance is concerned.

Mr. Noguera indicated that criteria is a problem with the program and the process has been slow, however, he could see positive changes taking place in the near future. It would be preferable that the funds for the small business loan program not be CDBG because it necessitates following U.S. Department of Housing and Urban Development (HUD) guidelines.

Ms. Bolanos indicated that she still felt MEDA could do a lot more to assist businesses and there is a need to design programs that can adequately address needs.

Mr. Smith indicated that there has been confusion with the transfer of the loan program and that he would like to see better outreach and more sensitivity from HUD, although there have been no problems so far in compliance with HUD guidelines by business owners.

Mr. Stern requested a report on the blockages that are being encountered.

Mr. Poloski indicated he believes the 24th Street Revitalization Committee is doing its best but are facing difficulties. He noted his appreciation that the Mission Neighborhood Center has been approved and funded.

Ms. Rodriguez indicated that a report will be made to the Commission in two weeks.

Ms. Ong requested a written report.

- (e) Helen Sause, Project Director, Yerba Buena Center, and Bill Nakamura, Chief, Engineering and Rehabilitation, made presentations on item (e), which requests authorization of a Contract for the demolition and site clearance of the Williams Building located at 693 Mission Street in Yerba Buena Center. On August 17, 1993, the City's Bureau of Building Inspection directed the Agency to file for a permit to abate the unsafe condition of the Williams Building within 15 days and to begin work within 30 days. The building, which was severely damaged in the October 1989 earthquake, poses a great liability to the Agency and the City and is a serious threat to the public. In order to comply with this request in the most expeditious manner, it is proposed the Executive Director be authorized to execute a contract with the lowest responsible bidder as soon as bids are received and a responsible bidder is identified. In addition, this action will allow the demolition to proceed sooner than the normal process would allow whereby the item is calendared after the contractor is identified and is not acted upon for an additional eleven days. All other conditions, including approval of the contractor's affirmative action and safety program will be completed prior to execution of the contract. During the period since the earthquake damage occurred, staff has pursued the Federal Emergency Management Agency (FEMA) appeal process in an attempt to secure funding for all eligible repairs. However, to date, these efforts have been unsuccessful and final resolution may not occur for a considerable length of time. The building continues to deteriorate with time and staff believes that since all reasonable efforts to save it have been exhausted, it is appropriate to proceed with demolition. The cost of demolition and site clearance is estimated at \$600,000 and staff is requesting that \$637,511 previously authorized by FEMA for other uses on this project be used to offset the cost of demolition. The estimated cost for a full seismic upgrade is \$6.3 million for which the Agency does not have the funds. The estimated cost for a temporary bracing scheme is \$1.3 million, which is a short term solution.

Daniel Shapiro, SOH & Associates, Structural Engineers, described the deteriorated condition of the building in detail. He indicated that prior to the October 1989 earthquake, an inspection to see how the building could be strengthened resulted in a determination that it did not meet the minimum requirements

for earthquake resistance. Following the earthquake, the building was red-tagged and since that time nothing has been done to strengthen it and diminish the hazard to passers by. Concern has been expressed in writing to the Agency that the building is an emergency, rather than just a hazard, and if strengthening the building is not a feasible solution, it is believed removal is essential.

Ms. Sause indicated that the recommended consultation procedure for the Memorandum of Agreement (MOA) has been followed and staff has simultaneously notified the signatories of the warnings from the Agency's engineering consultant and the City. They have been notified of the need to modify the MOA to recognize that the building is a public hazard. The building has been documented photographically and this will be reassessed to ensure it has been appropriately conducted. The signatories have been advised that there are essentially no alternatives left and so this amendment is now before them. The Agency has exhausted every avenue to preserve this building and, in the interests of public safety, it is believed it should be demolished.

In response to an inquiry from Ms. Schilling, David Madway, Agency General Counsel, indicated that the MOA is legally binding. However, the MOA clearly contemplates the possibility of demolition, because the obligation to preserve, retain, rehabilitate and reuse adaptively is conditioned upon economic feasibility. The MOA was negotiated pursuant to Section 106 of the Federal Historic Preservation law. Section 106 requires a very elaborate consultation process leading to the execution of an MOA. It should be kept in mind that the MOA cannot be used to prevent demolition in the event the Agency and the City feel that there is an imminent threat to life. If there is an emergency, the document cannot be a basis for totally blocking local government from taking appropriate steps to protect the lives, safety and welfare of its citizens.

In response to an inquiry from Mr. Kouba, Mr. Shapiro further elaborated on the technical elements of how the building would pose a danger to public life and safety in the event of another earthquake.

The following persons spoke regarding item (e): Vincent Marsh, Department of City Planning and Secretary to San Francisco Landmarks Board; and Mrs. Bland Platt, Foundation for San Francisco's Architectural Heritage.

Mr. Marsh provided the Commissioners with copies of: the 1984 Agreement, Section 106; the Governor's Executive Order on Historic Buildings; and the new California State Register. He indicated that in the event of a new agreement, there may be a need for an environmental review before the Commission consider any alternative for the building. He noted that he has documents going back to 1975 whereby the Landmarks Board, the City and the Agency worked towards preservation of this building. In addition, he had contacted the Bureau of Building Inspection

personnel who indicated their letter says "abate a violation", which does not mean demolish the building. Abatement means figuring out a way to shore up and stabilize the building and determine its future use. It is inappropriate to take action to demolish the building at this time. He noted his concern regarding inadequate notification because the tentative agenda for this meeting did not list this item. In addition, there has been no consultation with the Landmarks Board who should have been provided an opportunity to review the project. In 1991, the Landmarks Board asked to be an interested party in any negotiations regarding the Williams Building and none of that has occurred.

Mrs. Platt noted that it appears the consultants have not looked at the State Historic Building Code, which she believed would reduce the amount of money it may cost to renovate the building. There are files that go back to 1975 which contain environmental impact statements and reports and the Williams Building is to be retained. She indicated that the preservation community is not willing to let this go without making certain the Agency has followed the MOA as required by the National Historic Preservation Act and this is not an emergency situation in terms of State law. The Commissioners should look at the Governor's Emergency Order and at the new State Register which expands upon requirements with respect to historic buildings. She noted her concern at inadequate notification and that this item was not listed on the tentative agenda for this meeting.

In response to an inquiry from Mr. Kouba, Mr. Marsh indicated that a sequence has to be followed before a building can be demolished and an emergency situation cannot be claimed four years after the earthquake.

Mr. Kouba inquired if Mr. Marsh and Mrs. Platt would have a different view point if they believed this was truly an emergency situation.

Mrs. Platt indicated affirmatively and cited an instance where the historic preservation community agreed a building could not be retained.

Mr. Stern noted that there are no funds to do remedial work and his concern is that it is only a matter of time before someone gets seriously injured by this building which has been in a bad state of disrepair for a long time. If the exhaustive process that has been suggested is followed, during that time sequence an accident could occur for which the Agency and the City are liable and would be open to criticism for not doing anything about the building.

In response to an inquiry from Mr. Kouba, Mr. Madway indicated he had difficulty in understanding what impact the Governor's Executive Order has on the discretion of the Commission to act to protect public safety in a case like this. The California Environmental Quality Act (CEQA) expressly provides that CEQA does

not apply in a circumstance where there is an emergency, so there is no Environmental Impact Report (EIR) requirement that applies in that kind of situation. There is no provision in the Yerba Buena Center Redevelopment Plan requiring preservation of the Williams Building and there is no plan amendment necessary to permit this building to be demolished. Under CEQA the Agency is not required to undertake a project-by-project review, but undertakes a program review which deals with all CEQA issues at one time. If the project were slated for preservation in the plan, the Agency might conceivably have to go back and revise the plan and go through a further CEQA process, however, this is not the case.

Ms. Platt indicated her copy of the 1973 plan shows the Williams Building for retention and it is discussed in the EIS and EIR as well as correspondence with federal agencies.

Tom Conrad, Chief, Planning and Programming, indicated that the issue is whether the plan mandates preservation of the building. The plan permits it, however, it is an operative provision that says the Commission may retain it, it does not say it shall be retained.

Mr. Madway indicated that the MOA makes it clear that the only circumstance for retention, rehabilitation or adaptive reuse is if it is determined to be economically feasible. It is a question of whether the Commission is prepared to spend the money to brace the building, are prepared to demolish, it or to accept the liability risk for an indefinite period.

At Mr. Madway's request, Mr. Shapiro described the relevant provisions of the State Historic Building Code and responded to questions from the Commissioners regarding cost estimates and the structural condition of the building.

In response to an inquiry from Ms. Ong, Ms. Sause noted the individuals and organizations that have been kept advised of developments related to the Williams Building. She indicated there had been an omission due to miscommunication with regard to informing Mark Ryser of the Heritage Foundation, however, the relevant information regarding this hearing had been faxed to Mrs. Platt upon request. Mr. Marsh had not been contacted because Barbara Sahm of City Planning had indicated she would keep him apprised of developments.

Ms. Sause noted that with reference to her earlier statement regarding documented photography, she had been subsequently advised that this has not occurred and will take two weeks to accomplish.

Ms. Sause described the process that had been followed with the Federal Emergency Management Agency (FEMA) with whom staff met diligently for over three years in efforts to secure funds to repair the building. For the past nine months, essentially nothing has been done except to start an appeal process because

agreement could not be reached. FEMA denied everything except the funding for design for the repair of the building but they would not grant the money to do the repair work. An appeal was filed to get sufficient money to bring the building up to standard and that was denied and that decision has been appealed.

Mr. Kitahata indicated with regard to the issue of public notification, the June 8, 1993 minutes indicate he requested a recommendation from staff on the Williams Building, which was received the following week. He indicated that at the June 15 meeting he raised a concern regarding the length of the time anticipated for the process and was told a long notice period was needed for the historic community.

Mr. Helfeld indicated that until the letter was received from the BBI and this became an emergency situation, a longer process was anticipated.

Mr. Kitahata indicated that reflects the emergency situation right now, however, in June there was a staff recommendation to demolish the Williams Building, albeit with a much longer time frame. He inquired if the historic groups were contacted at that time.

Mr. Helfeld indicated he did not recall the Commission giving staff formal instructions to demolish the building and understood it to be a request for a time frame for demolition, which was provided.

Mr. Kitahata indicated that he believed the Agency should move forward with demolition on an emergency basis. However, he noted his concern regarding inadequate notice to the historic groups who should have been contacted in June to let them know what ideas were being discussed.

Mr. Kouba indicated that he did not believe the language of the MOA about documentation is a problem in terms of notice because it says prior to alteration, not prior to voting on whether an alteration is going to be made. He indicated he believed the building could be adequately documented and photographed prior to there being any alteration. He indicated he believed there had been adequate notice because those who oppose demolition are here now making their arguments. This is an emergency situation and the Commission should move forward.

MOTION: IT WAS MOVED BY MS. SCHILLING, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT THE COMMISSION IN PRINCIPLE ACCEPT STAFF RECOMMENDATION TO DEMOLISH THE WILLIAMS BUILDING AND, SINCE IT WILL TAKE TWO WEEKS FOR PHOTOGRAPHIC DOCUMENTATION, ADEQUATE TIME WILL BE PERMITTED FOR THE HISTORIC GROUPS TO APPEAL TO APPROPRIATE AGENCIES.

In response to an inquiry from Mrs. Platt, Mr. Madway indicated that information with respect to an appeal can be submitted to Mr. Helfeld or Ms. Sause who will pass it on to the Commission.

ADOPTION: IT WAS MOVED BY MS. SCHILLING, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 171-93 BE ADOPTED.

A tape transcript of the proceedings is on file with the Agency Secretary.

- (f) Kent Sims, Deputy Executive Director, Economic Development, introduced item (f), the purpose of which is for a staff report on the University of California (UCSF). UCSF, San Francisco's largest employer after City government, is the nation's most prestigious public medical school and world renowned biomedical research institution. Understanding its stature is threatened by lack of space, the University is a little over half way through a Long Range Development Plan (LRDP) process to identify and meet its space and facilities needs for the next ten to fifteen years. UCSF is of great economic importance to San Francisco and early in his administration Mayor Jordan designated his Director of Economic Planning and Development as the City's liaison to UCSF and Chair of the Mayor's UCSF Task Force consisting of representatives of UCSF, City Planning Department, Redevelopment Agency, Public Health Department, San Francisco General Hospital and the San Francisco business community. In addition to facilitating UCSF's operations in San Francisco, the Task Force is charged with identifying appropriate sites for UCSF expansion in order to retain all University operations and their benefits to the City. The Task Force has identified five potential sites: San Francisco General Hospital, Northeast Mission Industrial Zone (NEMIZ), Mission Bay, Letterman Army Institute of Research labs at the Presidio and Executive Park. The Commissioners have been provided with information on these sites and UCSF has included an evaluation of each site in its LRDP.

A discussion ensued between the Commisssioners and Mr. Sims regarding UCSF expansion plans.

In response to an inquiry from Mr. Kitahata, Mr. Helfeld indicated that he did not believe it appropriate at the present time for staff to be involved in discussions on the NEMIZ, which is an issue for City Planning and the citizens to work out.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Commissioners have been provided with the Agency's most recent newsletter.
- (b) The Commissioners have been provided with an updated Forward Calendar.
- (c) BRIDGE Housing Corporation has requested a Commissioner speak at a ground breaking for an 82 unit affordable rental development located at Fell and Gough Streets on September 9 at 10:45 a.m.

Ms. Ong indicated she would not be available on that date and Commissioners Kouba and Stern indicated they would attend.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Ms. Schilling noted her concern that since she had been appointed to the Commission this is the second time there has been accusations of improper notification and inquired why the historic groups had not been appropriately notified in light of Mr. Kitahata's remarks concerning discussions at the June meetings. She further noted her concern regarding lengthy staff presentations which do not provide any new information.

Mr. Stern indicated that if there had not been a lengthy presentation on the Williams Building there could be accusations that the public were not fully informed. In addition, one of the oldest excuses is people saying they did not get adequate notice.

Mr. Helfeld noted that the Commissioners had been provided with a time table on the demolition of the Williams Building.

Ms. Sause reiterated that there had been miscommunication with regard to informing Mark Ryser of the Heritage Foundation. Furthermore, it was agreed with City Planning staff to go through the MOA and draft an amendment before meeting with the historic groups.

David Madway, Agency General Counsel, quoted relevant excerpts from the Brown Act regulations with respect to agenda posting, which stipulate that an agenda needs to be posted seventy-two hours in advance of a meeting.

Virginia Conway requested that when changes are made to the tentative agenda, there be another mailing noting the changes.

- (b) Mr. King noted his concern that the most recent Agency newsletter indicates the waterfall in Yerba Buena Gardens is the Esplanade Waterfall, rather than the Martin Luther King, Jr. Memorial Waterfall and requested the word "Esplanade" be deleted.
- (c) Ms. Bolanos noted that she will be resigning from the Commission and there is a need to appoint a replacement to the Strategic Planning Committee to attend the next meeting scheduled for August 27.
- Ms. Ong suggested, and the Commissioners concurred, that Ms. Schilling replace Ms. Bolanos.

- (d) In response to an inquiry from Ms. Ong, Mr. Kitahata indicated that nine responses had been received to the Request for Proposals for a consultant in connection with the executive director search. He indicated that the Search Committee will meet on August 25 to narrow it down to about four interviews and will make a recommendation to the Commission as soon as possible.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY
RELATED MATTERS

- (a) Sy Allen Browning, Southeast Economic Development Group (SEED), presented a letter requesting a meeting be convened between SEED and the Mayor's Bayview/Hunters Point Economic Development Task Force in connection with funding for a training program for toxic clean-up programs to be implemented in the Hunters Point Shipyard. He noted that difficulties had been encountered in arranging a hearing before the Task Force.

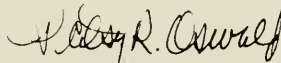
Mr. Suttle noted that Redevelopment Agency funds are being sought, but the balance of these funds was set aside by the Task Force for loans to small businesses in the Bayview/Hunters Point area. Furthermore, it is Agency policy that expenditure of these funds must be approved by the Task Force.

Following discussion, it was the consensus of the Commission that staff endeavor to facilitate a hearing for Mr. Browning before the Task Force in order for him to present his request.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations, Negotiations with Local 790 and Local 21 and Personnel. The meeting adjourned at 8:00 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

October 19, 1993

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
31ST DAY OF AUGUST, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 31st day of August, 1993, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

- Cynthia Choy Ong, Acting President
- Sonia S. Bolanos
- Leroy King
- Gary Kitahata
- Jon Henry Kouba
- Leslie T. Schilling
- Clarence R. Stern

and the following was absent:

None

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: John Bacanskas, Marriott Hotel; Bob Davis, KTB Realty Partners, Inc.; Richard Moss; Gina Solis, representing Agency employees; Maria Gonzales, Vice President, SFRA Chapter, United Employees Local 790; Lisa Hamburger, Mission Housing Development Corporation; Maria Acosta Colon, Mexican Museum; Shirley Jones, Al Williams and Scott Madison, Mayor's Hunters Point Citizens Advisory Committee; John Bardis, President, Inner Action Sunset Committee; Dr. Eddie Welbon, Bayview Hunters Point Homeowners and Residential Development Council; Larry Williams and Jim Kuebelbeck, Williams-Kuebelbeck & Associates; Jim Jefferson, Jefferson EIP Joint Association for Environmental Planning; Karen Alschuler, Simon Martin-Vegue Winkelstein Moris; Bob Grandy, Korve Engineering; Steve Mattoon, Fillmore Market Place Associates, L.P.

APPROVAL OF MINUTES

It was moved by Ms. Schilling, seconded by Mr. Kouba, and unanimously carried that the minutes of the Regular Meetings of June 22 and 29, 1993, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS- CONSENT AGENDA

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE VOTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing an amendment to the Memorandum of Agreement with International Federation of Professional and Technical Engineers, Local 21 to extend the term through September 30, 1993.
- (b) Authorizing an amendment to the Memorandum of Agreement with United Public Employees Local 790 to extend the term through September 30, 1993.

ADOPTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) AND (b), RESOLUTION NUMBERS 172-93 AND 173-93, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) Public Hearing to hear all persons interested in a lease in connection with the property located at 55 4th Street, Marriott Hotel; Yerba Buena Center.

Acting President Ong opened the Public Hearing to hear all persons interested in this matter.

Helen Sause, Project Director, Yerba Buena Center, introduced item (c), which requests authorization to enter into a lease for the unfinished second story retail space in the Marriott Hotel at 55 4th Street for \$48,000 per year as escalated in connection with Yerba Buena Center. In negotiating the 1984 Disposition and Development Agreement (DDA) with Yerba Buena Gardens Associates (YBGA), the developer of Central Block 1 (CB-1), it was agreed that that approximately 90,000 square feet of retail space would be built in CB-1, including two levels of retail to be built in the base of the hotel and the CB-1 office building to be constructed on Market Street. Since completion in 1989, the retail space in the hotel has remained unfinished as part of the Retail Lease authorized in the DDA. Subsequent to YBGA relinquishing its interest in the second floor retail space as part of the last DDA Amendment, Marriott offered to improve the 17,280 square feet of retail space and lease it from the Agency for fifteen years at a rental of \$48,000 per year, adjusted by the Consumer Price Index (CPI) every five years. The CPI rate would be set with a floor of 2 percent and a cap of 6 percent. The fifteen years would be extended on a year to year basis on the same terms for up to an additional five years. Marriott has worked out an agreement to lease the retail space to the American Management Association (AMA) to conduct management training and an appropriate lease document has been prepared. Upon approval, AMA would begin their improvements immediately and tenancy would occur in February 1994. The use of the space for training will result in a higher number of hotel rentals thereby increasing the Agency's lease revenues from the hotel. In addition, the \$48,000 will contribute to the revenue sources for the Yerba Buena Gardens.

Ms. Sause introduced John Bacanskas, Marriott Hotel.

There being no persons wishing to appear in connection with this matter, the Acting President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 174-93 BE ADOPTED.

- (d) Helen Sause, Project Director, introduced item (d), which requests authorization of Gardens Management Contract with KTB Realty Partners, Inc. to provide management, maintenance, operations and security services for the Gardens on Central Block 2 (CB-2) in Yerba Buena Center. Subsequent to authorization of exclusive negotiations on August 3, 1993, it is proposed to enter into a contract with KTB effective September 1, 1993 through August 31, 1996 at a management fee of \$54,000 per year. The contract also provides for a preliminary advance of working capital in an amount of \$100,000 to enable KTB to hire staff and procure such materials and services as may be necessary prior to the Agency's approval of the first annual budget for the Gardens, which is anticipated will be before the Commission for consideration within 30 days. It further contains provisions related to: termination of the contract; the Agency's right to review and approve the qualifications of key subcontractors employed by KTB as well as the full time on-site manager to be assigned to the Gardens; and affirmative action, prevailing wages, indemnification, etc.

Ms. Bolanos left the meeting at this time, 4:20 p.m.

Ms. Sause introduced Bob Davis, KTB Realty Partners, Inc.

In response to an inquiry from Ms. Ong, Mr. Davis indicated that the payroll will be handled by Wells Fargo who will automatically deduct payroll taxes.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 175-93 BE ADOPTED.

Ms. Bolanos returned to the meeting at this time, 4:25 p.m.

Acting President Ong indicated that item (g) would now be taken-up.

- (g) Ms. Ong introduced item (g), which commends and expresses appreciation to Sonia S. Bolanos for her service as a Commissioner of the Redevelopment Agency of the City and County of San Francisco and read the commendation resolution into the record.

Ms. Bolanos thanked the Commissioners, staff and community members for their support during her term as a Commissioner.

The Commissioners paid tribute to Ms. Bolanos for her service to the Agency by her dedicated participation in all facets of redevelopment activities and her substantial contribution as a member of the Strategic Planning Committee.

The following persons spoke regarding item (g): Gina Solis, representing Agency employees; Maria Gonzales, Vice President, SFRA Chapter, United Employees Local 790; Lisa Hamburger, Mission Housing Development Corporation; and Maria Acosta Colon, Mexican Museum.

Ms. Solis, on behalf of Agency staff, expressed sincere appreciation to Ms. Bolanos for her multitude of achievements in promoting the Agency's goals and objectives and her support during the recent budget negotiations when she showed consideration to Agency staff above and beyond the call of duty. On behalf of everyone Ms. Bolanos supported with compassion and commitment, Ms. Solis wished her the best of health, happiness and success in her future endeavors.

Ms. Gonzales, Vice President, SFRA Chapter, United Employees Local 790, expressed appreciation to Ms. Bolanos on behalf of all Local 790 members for her substantial and unprecedented support during the budget negotiations.

Ms. Hamburger, Mission Housing Development Corporation (MHDC), thanked Ms. Bolanos on behalf of MHDC Board and staff and the communities that have benefitted from her efforts.

Ms. Acosta Colon, Mexican Museum, expressed appreciation to Ms. Bolanos for her support of the Mexican Museum and contribution to the welfare of the communities of San Francisco.

Ms. Bolanos thanked the Commissioners and the speakers for their tributes.

ADOPTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 178-93 BE ADOPTED.

- (e) Byron Rhett, Project Coordinator, Hunters Point Shipyard, noted that because questions had been raised regarding the length of the environmental review process (CEQA), Tom Conrad, Chief, Planning and Programming, would make a report.

Mr. Conrad presented background information and described the Hunters Point Shipyard planning process as it relates to CEQA. He noted that staff anticipates the entire process will take 30 months, however, the City's estimate is 36 months.

A discussion ensued between the Commissioners and staff regarding timing, costs, toxic conditions and land uses.

Mr. Kouba inquired if Parcel 2A, which is geographically quite separate from the rest of the Shipyard, could be dealt with by itself and possibly developed for housing and David Madway, Agency Counsel, indicated that the CEQA process is equally applicable to that parcel and that there is no short cut.

Mr. Helfeld indicated that if Parcel 2A is to be developed for housing, an EIR would be required so the CEQA process may just as

well take place simultaneously for the entire Shipyard. In addition, in the immediate future it would be difficult to finance housing in that particular location and to market it while the clean-up is in process.

Ms. Ong indicated that in the near future it is proposed to request the Mayor's Hunters Point Shipyard Citizens Advisory Committee to make a presentation at a workshop to provide information to the Commission on land use plans.

Mr. Rhett introduced item (e), which requests authorization of contract negotiations with four consultants to assist the Agency in completion of land uses planning tasks for the Hunters Point Shipyard. The Agency has been designated by the Mayor's Office as the lead agency in planning the reuse of the Shipyard. A Task Force has been organized consisting of representatives from the Agency, the Department of City Planning, the Port of San Francisco, the City Attorney's Office and the Citizens Advisory Committee. The Task Force is responsible for the development of a Conceptual Master Plan for the entire Shipyard and a Specific Development Plan for Parcel "A". These plans will require environmental documentation and will stimulate the need for an amendment to the City's Master Plan and Zoning Code and the establishment of a Redevelopment Project Area. It is anticipated the land use planning process will be completed by March 1996. Due to the complexity of this large project, the Task Force proposes to retain consultants for specific tasks and, following review and evaluating 18 short list firms and their proposed subcontractors, the four selection panels recommend: Jefferson EIP Joint Association for Environmental Planning; Korve Engineering for Transportation; Williams-Kuebelbeck & Associates for Real Estate Economics; and Simon Martin-Vegue Winkelstein Moris for Planning/Architectural Graphics. All the consultants will be contracted over a three year period on an as needed basis. Of the seventeen firms to be involved there is 30 percent participation by minority owned firms and 24 percent by woman owned firms. Complete work force breakdowns of the selected firms have been provided to the Commissioners.

Mr. Rhett introduced Shirley Jones, Al Williams and Scott Madison of the Mayor's Hunters Point Shipyard Citizens Advisory Committee (CAC).

Mr. Williams noted that the CAC has been fully involved in the consultant selection process and supports staff recommendation. The CAC will work closely with the consultants in order to move the planning process forward as expeditiously as possible. The CAC shares the concern expressed by Mr. Kouba about moving forward expeditiously and it is understood that, notwithstanding the environmental process, that Parcel 2A will be advanced much faster than the rest of the parcels. Although the idea of housing is supported, there is a need to create economic opportunities, business and employment opportunities and there has to be a balanced program to satisfy guidelines the CAC has developed.

Ms. Ong introduced the consultants.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 176-93 BE ADOPTED.

- (f) Philip Williams, Housing Development Specialist, introduced item (f), which requests authorization of a revised Fifth Amendment, which revises the terms of the payment of land price, the schedule of performance and the additional terms, covenants and conditions of the Land Disposition Agreement (LDA) with Fillmore Market Place Associates L.P. in connection with the purchase and development of Parcel 732-B located on the northwest corner of Webster and Eddy Streets in the Western Addition A-2. On June 1, 1993 a Fifth Amendment to the LDA was approved modifying the terms of the payment of the land price and the Developer agreed to pay \$1 million at construction loan closing with the remaining \$824,000 to be paid in installments over a period of fifteen years. The Developer is now requesting the Fifth Amendment be rescinded because Bank of America, the construction lender, is requiring that additional land payment be deferred until permanent loan closing. A revised Fifth Amendment is proposed whereby the Developer would pay the Agency \$500,000 at construction loan closing to pay off two predevelopment loans plus accrued interest, a performance deposit and a first installment of the land payment. At permanent loan closing, the Developer would make a second installment payment of \$813,552 toward repayment of the land price. The remaining \$824,000 would be repaid under a repayment schedule previously approved by the Commission. Approval of the revised Fifth Amendment is recommended subject to the following conditions: that the Developer defer reimbursement of approximately \$593,000 of the project's predevelopment expenses until construction completion; Related Residential Corp. of California agree to be the co-borrower or general partner; Related Companies, L.P. shall provide a construction completion guarantee; and Related Companies of California defer \$1 million of its \$1.5 million syndication fee until lien free completion of the project. The revised Fifth Amendment will amend the schedule of performance so that start of construction would commence by November 1, 1993 and construction completion would occur within twenty-four months after commencement of construction.

Ms. Bolanos and Mr. Kouba left the meeting at this time, 5:00 p.m.

Steven Mattoon, representing the Developer, responded to questions from Commissioners Schilling and Stern regarding financing for the project.

In response to an inquiry from Ms. Schilling, Mr. Mattoon indicated that it is expected to close escrow by the end of September.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 177-93 BE ADOPTED.

Ms. Bolanos and Mr. Kouba returned to the meeting at this time, 5:10 p.m.

REPORT OF THE PRESIDENT

- (a) Acting President Ong indicated that a workshop on Professional Services Contracts will be held in the near future.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Four bids for the demolition of the Williams Building were submitted today ranging from \$356,915 to \$669,668. Plan holders numbered sixteen which included Builders Exchanges, non-profits, such as Asian, Inc., Small Business Exchange. Staff advertised in a trade journal (Daily Construction Service) and the Bid and Contract Opportunities, published by the City's Purchasing Department. Invitations to bid were mailed to all demolition contractors in the Agency's computerized listing and to the contractors on the Affirmative Action list of M/WBE's which are licensed to remove and dispose of hazardous materials.
- (b) On September 9 there will be a groundbreaking for 82 family units at Fell and Gough, developed by BRIDGE Housing. The Agency provided a \$1.5 million grant for site acquisition. Commissioner Kouba will be one of the speakers at the event.
- (c) The Commissioners have been provided with an invitation to join the Secretary of Transportation Projects Federico Pena, Congresswoman Pelosi and Mayor Frank Jordan in the celebration of The Waterfront Transportation Projects "Another Step in San Francisco's Waterfront Renaissance". The event will take place at Folsom and the Embarcadero on September 1 at 10:30 a.m.
- (d) With regard to Ms. Schilling's comments on staff presentations, direction is requested from the Commission on the approach to reports and oral presentations. It should be noted that the presentation on the Williams Building at the August 24 meeting was repetitious because of the possibility of legal proceedings.

In response to an inquiry from Ms. Schilling, Mr. Helfeld indicated that the oral presentations may be comparable to the written material provided to the Commissioners, however, the issue is to how to keep the public informed since they do not receive the memoranda unless a special request is made. In the future, an effort will be made to be not overly repetitive and highlight the main points in oral presentations.

Ms. Ong indicated that there is a need to consider the public who do not have written reports but may want to participate in the discussions.

- (e) Mr. Kitahata noted his concern that there had not been any briefings on the Central Block 2 (CB-2) Entertainment/Retail Site in Yerba Buena Gardens since presentations were made by the developers and the Commission will need to make a major decision in the near future. He inquired if this is a topic for closed or open session discussion.

David Madway, Agency General Counsel, indicated that the Agency is not presently in negotiations with a developer, however, once a developer is selected, discussion can take place in closed session. At this point, there are very few subjects that are not appropriate for open session discussion except the confidential financial statements of the developers, which the Commission can review in Closed Session.

Mr. Kitahata requested a workshop be held to update the Commission on the most recent developments since the last presentation to provide a better understanding when a recommendation is made.

Mr. Helfeld indicated that a workshop would be scheduled at which an analysis of criteria and a review of the two development proposals will be presented, followed by a recommendation at a subsequent meeting.

- (f) Robert Gamble, Deputy Executive Director, Finance, indicated that, following approval by the Board of Supervisors for the Agency to work with the Chief Administrative Officer (CAO) towards financing the Central Block 3 (CB-3) improvements, the process has started and the Commissioners have been provided with a letter from the CAO outlining the underwriter selection process. It is a joint process involving the Agency and the CAO with considerable oversight and involvement from the Human Rights Commission. He noted that his input had resulted in modifications to the original letter and he is now comfortable with the process as outlined, however, he would welcome comments from the Commissioners before embarking on this lengthy process.

In response to an inquiry from Mr. King, Mr. Gamble indicated that the lead senior manager could be a minority firm, it could be a woman-owned firm or it could not be, all of those are possibilities. In the Human Rights Commission process there is a required numerical ranking which results from the interview process and he believed what the CAO is saying is simply a top rank firm in terms of points would be the lead senior manager for the transaction. Mr. Gamble noted that the original draft letter indicated "lead senior manager top ranked majority firm" and the word "majority" had been removed at his request. In essence, anybody can be the senior manager if they win on merits.

Mr. Gamble responded to questions from Mr. Stern regarding the Human Rights Commission's rating system to assure minorities firms get due consideration.

The Commissioners raised no objection to the process as outlined in the CAO's letter dated August 16, 1993 and Mr. Gamble's proposed response.

REPORT OF THE PRESIDENT (Continued)

- (b) Acting President Ong reminded the Commissioners to submit invitation lists for specific events in connection with the Yerba Buena Gardens opening celebration scheduled for October 11 to 17.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) A discussion ensued between the Commissioners and staff regarding the Agency's role in the North East Mission Industrial Zone (NEMIZ) and the City Planning Commission's proposal of a Bioscience Special Use District in that area.

Ms. Bolanos noted that there will be an opportunity for public comment at a hearing the City Planning Commission is holding on the NEMIZ on September 2 and distributed a letter she had written to the Editor of the San Francisco Chronicle.

Mr. Kitahata indicated that whenever there is public comment a Commissioner should be present to make it clear what the Agency's position is on the NEMIZ. Firstly, support for UCSF's letter, which clearly stated their position for community involved planning. Secondly, a reiteration of what is already contained in the draft Strategic Plan which indicates that whenever a redevelopment project is created that it be the subject of a lot of community input and the Agency will not go into an area where it is not invited. The UCSF letter and what is already in the Strategic Plan should be presented in public by a Commissioner and there is no need to develop it any further.

It was the consensus of the Commission that Mr. Kitahata present a public statement on behalf of the Commission at the City Planning Commission hearing on September 2.

Mr. Kouba suggested Ms. Bolanos' letter, which states the Commission's position on the NEMIZ, be made a part of the minutes.

MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT THE LETTER WRITTEN TO THE EDITOR OF THE SAN FRANCISCO CHRONICLE BY MS. BOLANOS DATED AUGUST 31, 1993 BE ATTACHED AND MADE A PART OF THE AUGUST 31, 1993 MINUTES.

- (b) Mr. Kitahata reported that the Executive Director Search Committee interviewed one search consultant on August 31 and will interview the other two finalists on September 1. It is anticipated a recommendation will be made to the Commission on September 7, following which the process will start immediately to develop a job profile.

In response to an inquiry from Mr. Stern, David Madway, Agency General Counsel, indicated that in the event a Commissioner

appears before another public body pursuant to direction of the Commission then that appearance is in that person's capacity as a Commissioner. However, when a Commissioner is present at a public meeting on a matter unrelated to Agency business, it is as a private citizen.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) John Bardis, President, Inner Action Sunset Committee, noted the importance of properly noticing meetings and that it had come to his attention an item appeared on the August 24 final agenda relative to a presentation by the University of California (UCSF) was not noticed on the tentative agenda that goes to the public. However, he had not actually checked to see if this was actually the case.

Ms. Schilling indicated that there was a presentation by staff, not by the University, and if a member of the public has a position on a particular subject they do not have to wait for it to be on the agenda and can always speak.

Mr. Bardis indicated that there community members interested in UCSF who could provide very effective input and would be pleased to address an agenda item calendaring a presentation by UCSF, which basically reviews its planning process to date.

Ms. Schilling indicated that if Mr. Bardis has a position he should make it known sooner rather than later and Mr. Bardis indicated that a position cannot be provided until there is a statement on the UCSF planning process.

Ms. Bolanos indicated that the Commission has never received anything directly from UCSF nor is UCSF's position regarding the NEMIZ known. The Commission has stated an interest in assisting UCSF because it is an important project to the City.

Mr. Bardis indicated that the community is interested in the UCSF process and suggested calendaring a presentation by UCSF so there can be community input.

- (b) Dr. Eddie Welbon, Chairman, Bayview Hunters Point Homeowners and Residential Development Council, noted that a technical assistance grant has been received from the Environmental Protection Agency (EPA) to oversee clean-up of the Hunters Point Shipyard. He indicated that in the near future a comprehensive proposal for a training program for youth in the area will be presented to the Agency.

Mr. Helfeld indicated that the proposal should be presented to the Mayor's Hunters Point Shipyard Citizens Advisory Committee.

Acting President Ong announced that there would be a Closed Session pursuant to Government Code Section 54957.6 to instruct the Agency's designated representative to negotiate with Local 790 and Local 21.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

David Madway, Agency General Counsel, announced that there is an additional Closed Session which arose subsequent to posting of the agenda on Friday, August 27, 1993. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a vote of five of the seven Commission members is required to add this item.

MOTION: IT WAS MOVED BY MS. SCHILLING, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS ITEM AROSE AFTER POSTING OF THE AGENDA ON AUGUST 27, 1993.

This item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located on the north side of Howard Street between Third and Fourth Streets in Yerba Buena Center and the entity the Agency may negotiate with is California Creole.

ADJOURNMENT

It was moved by Ms. Schilling, seconded by Mr. Kouba, and unanimously carried that the meeting be adjourned to Closed Sessions on negotiations with Local 790 and Local 21, Personnel and Real Property Negotiations. The meeting adjourned at 6:00 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

October 19, 1993

31 August 1993

Letters to the Editor
San Francisco Chronicle
901 Mission Street, SF 94103

Via Fax 415-512-8196

Re: Redevelop Commissioner to Quit

Editor:

I was disappointed that an article represented to me to discuss my role as commissioner and the Agency's major accomplishments and future direction was condensed to an abbreviated discussion of the City Planning Commission's proposal of a Bioscience Special Use District (BSUD) in the North East Mission Industrial Zone (NEMIZ). Due to its brevity, it is subject to interpretation which requires my clarification.

First of all, my concerns pertained to the Planning Department's proposal to establish the BSUD which undermined an ongoing community process established by the Planning Department two years ago and which established a comprehensive Industrial Use District (IUD) with the participation of UCSF and the residents and property owners in the NEMIZ.. As stated in the BSUD's preface, the BSUD was a response to the "Mayor's economic planning staff...(which) determined that the NEMIZ project needed a greater focus on economic development"; while discarding the Industrial Use District as having too much housing. These plans will be discussed before the Planning Commission on Thursday, September 2, 1993.

I am not opposed to UCSF's expansion but earnestly support this important institution to remain in our city. Nor am I opposed to the bioscience industry. In fact, as a member of the Strategic Planning Committee, I proposed the notion that the Redevelopment Agency should be instrumental in attracting viable industries to the city. I am not even opposed to a redevelopment project area as long as it is with participation of the stakeholders to the area. I am opposed to suggestions made to implement the Bioscience Special Use District by declaring it a redevelopment project area without citizen participation and an adequate assessment of social and economic implications.

I hope I have clarified my position on this matter.

Sincerely,

Sonia S. Bolanos

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
7TH DAY OF SEPTEMBER, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 7th day of September, 1993, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Leroy King
Gary Kitahata
Jon Henry Kouba
Leslie T. Schilling
Clarence R. Stern

and the following was absent:

None

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Bob Meyers; Sue Hestor, North of Market Planning Coalition; Marc Facio; Marc Evans; and Jay Smith, Mayor's Office of Community Development.

Representing the press was: John King, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Mr. Stern, seconded by Mr. Kouba, and unanimously carried that the minutes of the Regular Meeting of July 6, 1993 and the Closed Session Meetings of May 25, June and 15, 1993, as distributed by mail to the Commissioners, be approved.

Ms. Ong noted that she had a correction to the Closed Session Minutes of May 25, 1993 and it was the consensus of the Commission that the minutes be corrected and re-submitted for approval.

NEW BUSINESS - CONSENT AGENDA

At the request of Mr. King Consent Agenda items (c) and (d) were removed from the Consent Agenda and considered as regular items.

THE ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing purchase of microphones and accessories in the amount of \$57,599.03 and lift equipment in the amount of \$27,994.89 from the approved budget for Furnishings, Fixtures and Equipment (FF&E) for the Cultural Buildings; Yerba Buena Center.
- (b) Authorizing an amendment to the purchase amount of systems and miscellaneous furniture in the amount of \$45,093.96 from the approved budget for Furnishings, Fixtures and Equipment (FF&E) for the Cultural Buildings; Yerba Buena Center.

ADOPTION: IT WAS MOVED BY MS. SCHILLING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) AND (b), RESOLUTION NUMBERS 179-93 AND 180-93, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) Mr. Helfeld introduced item (c), which requests authorization for the Project Director, Yerba Buena Center, to travel to Denver, Colorado, October 22-27, 1993, to attend the Annual NAHRO Conference. Ms. Sause, past President of NAHRO, currently serves as Chair of the International Committee and is a member of the Community Revitalization and Development Committee. In this capacity it is necessary for her to attend Committee and Board of Governors meetings to conduct the International Committee meeting and to participate in the Association's 1993 National Conference and Exhibition. Registration for the conference will be paid by NAHRO and the cost to the Agency for this travel will not exceed \$500, which will not be undertaken without approval from the Mayor's Office.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 181-93 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of travel for the Deputy Executive Director, Finance, to travel to Santa Monica, October 7-8, 1993, to speak at the Western Public Finance Conference on the question of the relative benefits of competitive versus negotiated bond sales. This conference is the major annual west coast conference regarding public finance issues in the United States and Mr. Gamble will also participate in seminars on a variety of other public finance issues. The anticipated cost for the seminar is \$571 and this travel will not be undertaken without approval from the Mayor's Office.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 182-93 BE ADOPTED.

- (e) William Rumpf, Chief, Housing Production and Management, introduced item (e), a workshop, the purpose of which is for an evaluation of the Agency's Housing Participation Policy (Inclusionary Housing Program). On August 10, 1993, the Commission requested an evaluation of the Agency's Housing Participation Policy and identification of any possible changes to the policy. Overall, the Agency has exceeded the goal of having 40 percent of the housing units developed on-site

affordable to lower income households. The policy has resulted in a commitment of over \$15 million in resources in the form of land writedowns and direct financial contributions for affordable housing. Staff recommends retaining the present Housing Participation Policy, which stipulates 40 percent of housing units developed on-site are to be affordable, except that in instances where it is elected to permit off-site units for a selected site, the off-site units must be constructed at a location within the same redevelopment project area as the market-rate site. It is therefore suggested that the language be added to Land Disposition Agreements to recognize that off-site production of affordable units may be desirable if a project cannot be otherwise financed and that the off-site affordable units are to be produced in the same project area as the market-rate development. Although the memorandum was widely distributed to interested individuals and organizations, there was not a high level of interest because the Agency's sites are already committed.

In response to an inquiry from Mr. Kitahata, Mr. Rumpf indicated that the proposed language change in Exhibit B, which indicates if off-site affordable units are produced they are to be in the same redevelopment project area as the market rate housing, is basically consistent with the action being taken on the Myrtle Street property and is to make it administratively simple. If the language were to indicate "nearby" it could be a point of contention later.

Mr. Stern indicated he believed the 40 percent affordable housing requirement is too high and it could be lowered to avoid waivers each time. For example, when Hayes Valley sites become available flexibility will be needed to deal with market rate forces.

Mr. Rumpf indicated that the amount of the low income housing contribution is the Commission's decision.

In response to an inquiry from Mr. Kouba, Robert Firehock, Deputy General Counsel, indicated a change in the affordable housing requirement would require action by the Commission by resolution.

The following persons spoke regarding item (e): Bob Meyers; and Sue Hestor, North of Market Planning Coalition (NMPC).

Mr. Meyers described the difficulties of developing Site F-1 in Rincon Point-South Beach and requested the affordable housing requirement be waived for that site.

Ms. Hestor read a letter into the record from Marcia Rosen, Deputy Director, Lawyers' Committee for Civil Rights of the San Francisco Bay Area, indicating that inclusionary housing policies are important, not only because they promote economic integration in housing, but because they bring new untapped resources from the private sector to the production of affordable housing. With regard to the Myrtle Street project, it is the Agency not the developer which is committing the land sales proceeds to the

development of off-site affordable housing. However, under the policy it is developer's responsibility, not the Agency's, to provide the on-site or off-site affordable housing or pay the in-lieu fee. Although it is commendable the Agency is committing public resources such as the land sales proceeds to affordable housing, under any inclusionary housing policy the market rate developer should be providing additional new resources to supplement the public agency's efforts. Regardless of whether the Commission votes to amend the policy, as recommended, it should be insisted that any on-site units, off-site units or in-lieu fees are actually provided by the private developer seeking the LDA and not by the Agency. Only then will the inclusionary housing policy fulfill its goal of creating new means of developing affordable housing.

Ms. Hestor noted her concerns regarding inadequate notification of this hearing and that discussions had taken place in closed session on a mixed use project. She indicated the NMPC is concerned that no affordable housing is being built on Van Ness Avenue and wants to see economic integration.

In response to an inquiry from Mr. Stern, Mr. Helfeld indicated that over several years, the Agency had been unable to find a developer who could finance affordable housing on the Myrtle Street site and memoranda and an analysis had been provided as to why it is not economically feasible to enforce the 40 percent affordable housing requirement in this instance.

Mr. Kitahata indicated his support of staff recommendation, however, every effort should be made to keep the policy's goal.

Ms. Ong indicated that she supported not reducing the affordable housing requirement, but would like to see more flexible language. She requested that public hearings be held whenever there is a waiver on the policy.

- (f) Philip Westergaard, Real Estate Development Specialist, introduced item (f), which requests authorization of Exclusive Negotiations for a period of 180 days with a Joint Venture to be formed and composed of Marc Facio and S. Osborn Erickson for the development of residential condominium and retail uses on Parcel 714-A(2) located at the northwest corner of Van Ness Avenue and Myrtle Street in the Western Addition A-2. On August 10, 1993, a modification of the affordability provision of the Agency's Housing Participation Policy was approved for this parcel to permit market rate housing and to designate 100 percent of the sales proceeds to be used for low- and moderate-income housing in the Western Addition A-2 Project Area. Out of five responses received to a Request for Expression of Interest issued to develop the site with market-rate housing above ground floor commercial, only two proposals were responsive. The two developers were requested to refine their proposals in order for staff to make a recommendation and the Commissioners have been provided with an evaluation summary of both development proposals. After evaluation, the selection of Marc Facio and his

partner S. Osborn Erickson is recommended based on their proven ability to obtain financing in a difficult financial market, their development experience and financial strength, and because of the number of units they proposed to construct on the site. The recommended development team proposes a 130-foot high residential building consisting of 66 loft-type units and approximately 4,500 square feet of ground level commercial space with required parking.

Sue Hestor, North of Market Planning Coalition, indicated that the creation of only 66 affordable housing units in the Western Addition could not be justified and the NMPC has problems with height and density. She inquired why another project by this developer is not under construction.

Marc Facio introduced the development team and, in response to Ms. Hestor, noted that the other project at 1901 Washington Street involves a much larger construction loan than the Myrtle Street project.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 183-93 BE ADOPTED.

- (g) Mr. Kitahata introduced item (g), which requests authorization of a Personal Services Contract with Ralph Andersen & Associates in an amount not to exceed \$16,500, plus expenses not to exceed \$5,000, for consultant services related to the Executive Director Search. Nine responses were received in response to a Request for Proposals (RFP) and, following screening of the proposals, three firms were interviewed by the Commission Search Committee who recommend Ralph Andersen & Associates, a well known firm in California public sector human resources services, who will be assisted by by Ladson Associates, a local M/WBE firm. It is proposed to group the consultant services into four phases: facilitate development of the candidate profile and recruitment strategy; implement the recruitment program to attract high quality candidates; design, coordinate and administer the selection process; and facilitate the development of a transition plan for the new executive director.

Mr. Kitahata introduced Clay Brown, Ralph Anderson Associates, and Yvonne Ladson, Ladson Associates.

In response to an inquiry from Ms. Ong, Mr. Kitahata indicated that it is anticipated the selection process will take 90 days.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 184-93 BE ADOPTED.

- (h) Deborah Drickerson Cortez, Development Specialist introduced item (h), which requests authorization to send a letter to Senator Dianne Feinstein supporting an increased appropriation for the Housing Opportunities for Persons with AIDS/HIV Program (HOPWA). The Agency has been designated as the lead administering agency in San Francisco, San Mateo and Marin Counties of monies

appropriated to the Department of Housing and Urban Development (HUD) for this program. In 1993, an amount of \$6,647,000 out of a total Federal appropriation of \$100,000,000 was allocated to the Agency and the development of care facilities, housing and a rent subsidy program are underway. The Commissioners have been provided with a letter to Senator Feinstein requesting her support in her capacity as a member of the VA/HUD Sub-Committee of the Senate Appropriations Committee in securing an amount of \$156,000,000 for the next fiscal year since both the request of the administration of \$102,000,000 and the appropriation of \$124,000,000 of the House of Representatives fall far short of the minimum required.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 185-93 BE ADOPTED.

Acting President Ong announced that there would be a brief recess. The meeting recessed at 5:25 p.m. and reconvened at 5:30 p.m., with the same roll call.

- (i) Mr. Helfeld introduced item (i), the purpose of which is for a presentation on the 24th Street Revitalization Program.

Ricardo Noguera, Interim Executive Director, MEDA and Raquel Medina, Financial Analyst, MEDA made presentations as contained in MEDA's letter dated September 7, 1993, a copy of which is attached hereto and made a part of these minutes.

After a discussion among the Commissioners, staff, Jay Smith of the Mayor's Office and the MEDA representatives, it was the consensus of the Commission that this item be referred to staff for analysis and brought back to the Commission in the near future.

REPORT OF THE PRESIDENT

- (a) Acting President Ong noted that a letter has been received from Mayor Jordan regarding a series of meetings to be convened to coordinate the City's economic development activities. The letter suggests that the commission presidents and the executive directors of Redevelopment, Airport, Planning and the Port be participants as well as Larry Del Carlo, Ted Dientsfrey and a representative from the Office of the Chief Administrator.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) At the meeting held with Commissioners Ong and Kouba to discuss the agenda for this meeting, it was staff's understanding that the 24th Street presentation was not to be calendared unless written material was provided, however, this position was reversed following a discussion between Ms. Ong and Mr. Noguera.

There needs to be more communication because clearly three Commissioners had different views and wanted something in writing.

Ms. Ong indicated that since it was intended to provide written material at the meeting, she had instructed staff to calendar the item and she was not aware the Commissioners had wanted something in writing prior to the meeting. However, the preference of the Commissioners is so noted and will be adhered to in the future.

- (b) On September 9, there will be a groundbreaking at 555 Ellis Street for a project of 38 family apartment. The Co-sponsors are Asian Neighborhood Design and Network Ministries. The Agency provided funding of \$2.3 million. The ceremony will be followed by a reception at the Senator Hotel, 519 Ellis Street.
- (c) On September 9, there will be a groundbreaking at 333 Fell Street at Gough for a project of 82 family apartment developed by BRIDGE Housing Corporation. The Agency provided funds of \$1.5 million. Refreshments will be served on-site and it is expected Mayor Jordan will be in attendance.
- (d) On September 30, 3:00 p.m., the Mayor's Hunters Point Shipyard Citizens Advisory Committee will hold a workshop on land use at the Southeast Community College.
- (e) On September 14, 2:30 p.m., a workshop will be held to review proposals to develop Central Block 2 (CB-2) Entertainment/Retail Site in the Yerba Buena Gardens of Yerba Buena Center.
- (f) The Agency's Chief of Housing, Bill Rumpf will be leaving the Agency on September 24 to take a job as Executive Director of California Housing Partnership.

Acting President Ong announced that there would be a Closed Session pursuant to Government Code Section 54957.6 to instruct the Agency's designated representative to negotiate with Local 790 and Local 21.

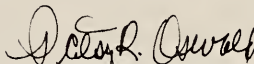
There will also be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located on the north side of Howard Street between Third and Fourth Streets in Yerba Buena Center and the entity the Agency may negotiate with is California Creole.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. Stern, seconded by Mr. King, and unanimously carried that the meeting be adjourned to Closed Sessions on negotiations with Local 790 and Local 21, Real Property Negotiations and Personnel. The meeting adjourned at 6:20 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald
Agency Secretary

APPROVED

October 26, 1993



2601 Mission Street, 9th Floor

San Francisco, California 94110
415/282-3334

TO: San Francisco Redevelopment Agency Commission

FROM: Ricardo Noguera, Interim Executive Director of MEDA

DATE: Tuesday, September 7, 1993

RE: PRESENTATION FOR THIS EVENINGS EVENT

Thank you for allowing MEDA this opportunity to discuss the San Francisco Redevelopment Agency funded programs on the Mission District's 24th Street Commercial Corridor. On behalf of the entire 24th Street Revitalization Committee, we wish to thank the Redevelopment Commission and Mayor's Office of Community Development for your on-going support over the past 1 1/2 years towards making the 24th Street Revitalization Project a reality.

I have requested this opportunity to address the Commission in order to provide you with a background on the three projects funded through your Agency, identify problems which have occurred over the history of the projects, and present recommendations MEDA feels will help us all get around the bottlenecks and move towards providing the support most urgently needed on 24th Street.

This presentation consists of three areas of discussion:

1. Community Development Investment Fund or Commercial Site Acquisition Program
2. Public Space Improvements Project or Entryway Project
3. 24th Street Business Loan Program
(To be presented by Raquel Medina)

Commercial Site Acquisition Program

BACKGROUND

This program was established to foster economic activities which will lead to the creation/retention of jobs on 24th Street. Due to HUD regulations, the program was geared towards providing a mechanism which could

enable Mission-based non-profit agencies to acquire property on 24th Street with an end result of anchoring 24th street businesses through non-profit ownership and reasonable lease rates charged to commercial tenants.

A total of \$720,000 was set aside to support this program. Staff from the Redevelopment Agency sent out Request For Proposals (RFP) to several non-profit agencies in the Mission District. A 3-person committee comprised of representatives working in the Mission District was assembled to review the proposals. The ultimate decision-making power was in the hands of a 3-person committee comprised of the Redevelopment Agency, Mayor's Office of Community Development, and Mayor's Office of Economic Planning and Development.

PROBLEMS

The following problems have arisen thus making it very difficult for interested organizations to access funds:

1. Most buildings are mixed-use therefore requiring a substantial amount of funds to renovate both commercial and residential portions;
2. 3-Agency Committee required applicant organizations to obtain letters of approval from other funders prior to presenting a formal indication of support thus making it difficult for agencies to leverage funders;
3. Although project oriented towards commercial and economic development, recommendations from 3-person Agency have requested joint ventures with established housing developers. Therefore, the project becomes more heavily dependent upon housing technical assistance and defeats the program's original intent for non-profits to make space for local businesses;
4. Lack of sufficient technical support from the Redevelopment Agency in the areas of: contract estimating, architectural and engineering services, and coordination with other city agencies such as the Mayor's Office of Housing, Building Inspection Department, and Planning Department.

SOLUTIONS

1. Redevelopment Agency takes first step to securing funding.

The Redevelopment Agency should step forward and play a major role with respect to funding projects. If the project looks feasible and addresses the original intent such as: alleviating physical blight, providing reasonably priced spaces for business use, and creating/retaining jobs then the Agency should indicate in writing that it will provide a certain amount of funds. These funds can be leveraged against other funding sources to support the project.

2. Joint Ventures.

Although joint ventures are appropriate in certain situations it is important to recognize the fact that these are established agencies which have been in existence for several years and are capable of developing and implementing physical development projects. Staff from the Redevelopment Agency should assist in developing joint ventures appropriate for the project and coordinate steps necessary to fulfill the objectives of the project.

3. Lack of technical support from the Redevelopment Agency.

Redevelopment Agency staff in the areas of engineering, cost estimating, and architecture should assist applicant organizations to complete the required documentation necessary for financing and development. These are real areas of need and require non-profits to pay for such costs out of pocket regardless of whether they are approved for funding or not. Staff should provide this support during the design of the projects.

Once projects receive approval, Agency staff should assist in coordination of review and approvals of permits and other pertinent information.

Entryway Project

The Entryway Project consists of \$40,000 set aside to fund the design and partial implementation of a beautification project for the 24th Street Commercial

Corridor. The Mayor's Office of Community Development has also funded this project. The Plan calls for the design, construction, and placement of beatifically decorated kiosks or entryways at the intersections of 24th/Mission Streets and 24th/Potrero Avenues.

Status of Project

The design of the project is almost completed. One problem has arisen with respect to which agency will maintain the on-going liability insurance for the life of the project. With the assistance of Supervisor Kevin Shelley, the Committee is seeking help from the City to take over the ownership of the project once completed. Liability insurance will cost approximately \$2,000 per year.

24TH STREET SMALL BUSINESS LOAN PROGRAM

History:

- * San Francisco Redevelopment Agency (SFRA) allocated \$240,000 from \$1 million towards a Business Loan Program on 24th Street.
- * Originally, a three person committee was proposed to review and make decisions on loan applications. The committee was to be comprised of MEDA, MOBED, and SFRA. It was never approved.
- * Review and decision was finally assigned to MOBED.
- * MEDA proposed using credit scoring loan criteria, similar to that used on the FACADE Loan Program for qualification. Proposal was rejected by MOBED. A consensus application document between agencies was adopted on 11/13/92.
- * Between November 1992 and June 1993 (8 months) no loans were submitted or approved. Discussions regarding changes and program administration between MOBED and MOCD continued.
- * MOCD took control of the program in April 1993.
- * Since April 1993 to September 7, 1993:
 - * Six applications have been received by MEDA.
 - * Four loans have been submitted to MOCD by MEDA.
 - * Three loans have been approved by MOCD.
 - * One will be disbursed this week.
 - * Two of the three approved may be disbursed within thirty days.
 - * Two applications received by MEDA are pending documentation needed before submitting to MOCD.

Problems:

1. Loan packaging requires documentation which some clients cannot or will not provide. This includes financial statements, current tax returns, interim financial statements, extension agreements for missing tax returns.
2. Have not been able to establish repayment ability. Historical cash flow has been negative for many of the merchants on 24th Street. Information to establish future positive cash flow is not available.
3. Job creation requirement as dictated by CDBG guidelines: Create one job for every \$20,000 borrowed is not realistic for many of the 24th Street Merchants.

4. No review process has been in place at City Hall. The first Two loan packages were simultaneously submitted to MOCD and MOBEP because we were not sure which one would be processing the applications. It was eventually determined that MOCD would handle this process. A consultant was then hired to review the applications. The review process before final approval has taken about three months.
5. No disbursement system was established to release funds to businesses.
6. The current disbursement process is not clear. It will take about 30 days or more from time of approval to disburse.
7. No loan servicing system is in place for repayment of the loan.
8. Loan documents are complex. They also require the Mayor's, City Attorney, Borrower, and MOCD signatures.
- * Environmental review is required for all loans.

Recommendations:

1. Use a credit scoring system to qualify clients for submission to loan committee for review and approval.
2. Establish a loan committee to review and make decisions on applications. Committee should be comprised of 24th Street Revitalization, Mission Area Federal Credit Union (MAFCU) and local bank representative or merchant.
3. SFRA to invest and leverage the loan fund proceeds in the Mission District Community by:
 - 3A. Depositing entire loan fund of \$240,000 into an interest bearing account in MAFCU.
 - 3B. Establishing a contract with MAFCU to disburse, monitor, service and collect the loans.
4. Establish time-lines for every step of the application to ensure an expeditious loan review and decision process.
5. Develop a simple and comprehensive loan application.
6. Loan requests under \$5,000 (with job creation waiver) should be encouraged.

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
14TH DAY OF SEPTEMBER, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 2:30 o'clock p.m. on the 14th day of September, 1993, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Leroy King
Gary Kitahata
Jon Henry Kouba
Leslie T. Schilling

and the following was absent:

Clarence R. Stern (Arrived 2:45 p.m.)

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: John Elberling, Yerba Buena Consortium; Al Williams, James Bennett, William Denton, Paul Anthony Heiss, Yerba Buena Entertainment Partnership (Madison); David Brainerd, Capital Guidance Corporation; Rich Sorro, Mission Hiring Hall; Richard Brown, Ella Hill Hutch Community Center; Chuck Collins and Phil Ahrens, Lincoln Metrocenter Partners/Western Development Group Ventures (Millenium); Robert Cavanaugh, LaSalle Partners; David Ish, New Fillmore Newspaper; Tom Schmitt, San Francisco Film Society; Rod Nilsen, Film Maker; Klara Ma, Kintetsu; Bill Osterhouse, Board Member, Center for the Arts at Yerba Buena Gardnes; Ann Blackburn; and Arnold Townsend.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), workshop, the purpose of which is to review proposals to develop the Central Block 2 (CB-2) Entertainment/Retail Site in the Yerba Buena Gardens of Yerba Buena Center. The site, which was originally part of the master development agreement with Olympia & York, occupies the western third of CB-2 in Yerba Buena Gardens and extends from Mission to Howard Street along Fourth Street and sits on the roof of the Marriott Hotel Ballroom. It was intended to be completed concurrently with the public improvements on that block, however, when the site was released from the agreement with Olympia & York in 1992, the Agency began working to remarket the site to another developer to complete this component of the Gardens. Five responses were received to a Request for Qualifications (RFQ) and staff recommended three of those developers be invited to submit

proposals, one of which declined to submit a proposal due to uncertainty of obtaining financing. Lincoln Metro Partners, a limited partnership, of which Millennium Partners is the general partner, and Yerba Buena Entertainment Partnership, of which Madison Realty Partnership is the managing general partner, submitted proposals and both have presented their proposals to the Commission and the community through a series of meetings. The Commissioners have been provided with organizational charts of both development teams. A staff review panel, which included the Agency's real estate consultant for this project, Keyser Marston, reviewed the proposals and conducted extensive interviews with both teams, following which efforts were made to clarify all aspects of the proposals and qualifications through requests for supplementary information and written response to a series of questions. The Commissioners have been provided with a summary of each development team's proposal in relation to the selection criteria established by the Commission, the threshold of which is the ability of the developer to attract debt and equity capital. Staff recommendation will be calendared for Commission consideration at a subsequent meeting. For clarity and convenience, the name Millenium will be used for all reference to the Lincoln Metrocenter Partners/Western Development Group Ventures team and the name Madison will be used for all references to the Yerba Buena Entertainment Partnership team.

In response to an inquiry from Mr. King, Mr. Helfeld indicated that Richard Kono, Chief, Development & Real Estate, had delegated this assignment to Darby Kremers, Senior Development Specialist, however, both he and Mr. Kono had participated in key discussions.

In response to an inquiry from Ms. Ong, Ms. Kremers indicated that the developers had made presentations of their proposals to the Yerba Buena Consortium and the Yerba Buena Marketing Alliance.

The following persons spoke regarding item (a): John Elberling, Yerba Buena Consortium; Al Williams, James Bennett, William Denton, Paul Anthony Heiss, Madison; David Brainerd, Capital Guidance Corporation; Rich Sorro, Mission Hiring Hall; Richard Brown, Ella Hill Hutch Community Center; Chuck Collins and Phil Ahrens, Millennium; Robert Cavanaugh, LaSalle Partners; David Ish, New Fillmore Newspaper; Tom Schmitt, San Francisco Film Society; Rod Nilsen, Film Maker; Klara Ma, Kintetsu; Bill Osterhaus, Board Member, Center for the Arts at Yerba Buena Gardens; Ann Blackburn; and Arnold Townsend.

Mr. Stern arrived at time, 2:45 p.m., during the speaker presentations.

Mr. Elberling requested consideration be given to inclusion of a mini-park at 4th and Howard Streets to accommodate seniors who cannot climb up the hill to the Esplanade. He noted that Millennium had responded affirmatively to this request and Madison had indicated "maybe".

Mr. Williams indicated that Madison had not responded negatively to the mini park, but it had been pointed out that an architect has not been brought in and there is not a design yet. He noted his concern that staff report did not accurately portray relevant information that Madison had provided in a letter dated August 16, 1993 responding to issues raised by staff, which will enable the Commission to make an informed decision. He noted his concern that the staff report does not acknowledge the public benefits offered by Madison or his personal expertise on affirmative action. He further indicated that in the cinema comparison, AMC, the second largest operator in the country, is not given full force and credit for the public benefits it will generate.

The members of both development teams made presentations and responded to questions from the Commissioners regarding all aspects of their proposals.

Mr. Brown, Mr. Sorro and Mr. Townsend noted their support of Madison because any project that Mr. Williams is associated with will achieve a good affirmative action program.

Mr. Ish, Mr. Nilsen, Ms. Ma and Mr. Schmitt noted their support of AMC Theaters locating in Yerba Buena Center because of their proven willingness to cooperate with the community.

Mr. Osterhaus noted that the Center for the Arts believes it is critical that whatever emerges architecturally blends into the Esplanade. He indicated there is concern about the tremendous parking demand a 5,000 seat cinema would create and noted the importance of the selected developer being supportive of the well being of all entities in the Gardens.

Ms. Blackburn noted that both teams have a lot to offer and their depth of experience and leasing capabilities need to be considered so this can be a successful project.

Mr. King requested he be provided with a copy of a letter dated August 16, 1993 dated from Madison responding to issues raised by staff.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Kouba noted that in connection with a letter sent to Senator Feinstein, the Senate Appropriations Committee has approved the increased appropriation of funding in an amount of \$156,000,000 for the Housing Opportunities for People with AIDS Program (HOPWA), which recommendation will go before the full Senate for consideration.

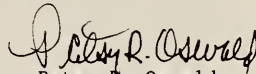
Acting President Ong announced that there would be a Closed Session pursuant to Government Code Section 54957 on Personnel.

Minutes of a Regular Meeting, September 14, 1993

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Schilling, and unanimously carried that the meeting be adjourned to a Closed Session on Personnel. The meeting adjourned at 4:30 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

October 26, 1993

235
#4
9/24/93

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
21ST DAY OF SEPTEMBER, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 21st day of September, 1993, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Leroy King
Gary Kitahata
Jon Henry Kouba
Clarence R. Stern

and the following was absent:

Leslie T. Schilling

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: James Fang, Mayor's Office; Douglas Chan and Anna Wong, Chinatown Economic Development Group (CEDG); Jim Lazarus, Mayor's Office; Richard Brown, Alford Sharon and Mary Trammell, Ella Hill Hutch Community Center; John Scott and Michael Williams, Young Community Developers; Rich Sorro, South of Market Employment Center/Mission Hiring Hall; Amelita Pasqual, Sharon Birch and Miranda Wong, South of Market Foundation; Ray Jones, Urban Economic Development Corporation; Zenebu Bekele, Women's Initiative for Self Employment; Claudia Viek, San Francisco Renaissance; Theodore Cook, Mendell Terrace Group; Ron Gallegos, President and Chairman of the Board of Directors, Mission Neighborhood Centers, Inc.; Ace Washington; Michael Mahoney, San Francisco Police Department; Eva Lee, Chinatown Merchants Association; T.L. Cook, Las Villas Partnership; Levon Nishkian, Nishkian Associates; and Bill Sorro.

APPROVAL OF MINUTES

It was moved by Mr. Kouba, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meetings of July 20 and 27, 1993 and the Closed Session of May 25, 1993, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS - CONSENT AGENDA

THE ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing a \$45,000 Fourth Amendment to the Landscape Architectural Agreement with Omi Lang Associates; Yerba Buena Center.
- (b) Approving purchase of Stage Riser and Seating Platform System from Stageright in the amount of \$150,270 from the approved budget for Furnishings, Fixtures and Equipment (FF&E) for the Cultural Buildings; Yerba Buena Center.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) AND (b), RESOLUTION NUMBERS 186-93 AND 187-93, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) James Fang, Mayor's Office, introduced item (c), which requests authorization of a First Amendment to the Final Plan, which revises programmatic uses for \$2 million of Agency funds reserved for economic development activities in Chinatown, as part of the approved Chinatown Economic Development Program. In January 1992, a Final Plan prepared by the Chinatown Economic Development Group (CEDG) was approved that identified programmatic uses for the \$2 million of Agency funds reserved for economic development activities in Chinatown. The four program areas contained in the Final Plan are: access; aesthetics; marketing; and finance and long range planning. During the past eighteen months, the CEDG co-sponsored two street fairs, incorporated into a nonprofit organization, hired a project coordinator, commissioned an architect to perform a Chinatown environmental design study, selected a service provider to coordinate the Chinatown working capital loan program, located space in Chinatown to operate as a community organization and developed a Request for Proposals (RFP) for a comprehensive street cleaning program. The amendment to the Final Plan is being requested in order to implement the street cleaning program, commission a strategic action plan, provide sufficient administrative funds for 1993 and 1994 and fund additional street fairs. The amendment has been approved by the Mayor's Office of Community Development Citizens Advisory Committee.
- (d) James Fang, Mayor's Office introduced item (d), which requests authorization of a First Amendment to a Personal Services Contract, which provides an additional \$116,000 in administrative expenses during 1993-94, with the Chinatown Economic Development Group (CEDG) as part of the approved Chinatown Economic Development Program. In January 1993, a Personal Services Contract in an amount of \$50,000 was approved to pay administrative expenses related to implementation of the Chinatown Economic Development Program. Subsequent to the hiring of a Project Coordinator, an administrative budget was developed, which allocated funds for renting office space in Chinatown, operating and start-up expenses and, since implementing economic development activities will take a couple of years, the CEDG recommends administrative funding for 1993 and 1994. The CEDG will provide quarterly reports to the Commission summarizing the

status of economic development activities. The funding increase in the administrative budget has been approved by the Mayor's Office of Community Development Citizens Advisory Committee.

- (e) James Fang, Mayor's Office, introduced item (e), which requests authorization of a Personal Services Contract in an amount of \$50,000 with the Chinatown Merchants Association (CMA) to co-sponsor and coordinate an October Moon Festival Street Fair, October 2-3, 1993, as part of the approved Chinatown Economic Development Program. In August 1993, the Chinatown Economic Development Group (CEDG) issued a Request for Proposals (RFP) to interested organizations to develop and implement a two day street fair during the month of October to commemorate the Autumn Moon Festival, to which only the CMA responded. Last year a similar street fair co-sponsored by the CEDG attracted over 100,000 people during the two day period. The total cost to implement the street fair is \$95,000 of which \$50,000 will be provided by the CEDG and the remaining \$45,000 will be underwritten by income from advertising and booth rentals.

Mr. Fang responded to questions from the Commissioners regarding programmatic uses for the \$2 million and described the Chinatown loan program process. He noted that the service provider for the loan program, Asian, Inc., was selected through a Request for Proposals (RFP) process.

Mr. Fang introduced Douglas Chen, Task Force Secretary and Anna Wong, Coordinator.

Mr. Fang commended Agency staff for their assistance and support of the program.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT ITEM (c), RESOLUTION NO. 188-93, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM (d), RESOLUTION NO. 189-93, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT ITEM (e), RESOLUTION NO. 190-93, BE ADOPTED.

Acting President Ong indicated that item (p) would now be taken up.

- (p) Robert Gamble, Deputy Executive Director, Finance, and Jim Lazarus, Mayor's Office, introduced item (p), which requests authorization of the provision of \$233,500 to perform a study of alternative re-use plans for the Transbay/Terminal Separator. The Department of City Planning has been analyzing the re-use of the Terminal Separator and Transbay Terminal for the past year and a point has been reached where immediate outside assistance is necessary to refine and analyze several alternative re-use plans. Because funding for the needed studies will not be

available from Caltrans for several months, the Mayor's Office has requested the Agency to provide funding to avoid a critical delay in the planning process. Reimbursement from Caltrans is expected to be available at the beginning of the calendar year. The proposed study will examine sites for bus transit and rail service and three sites for an arena/exhibit hall complex. Although the Transbay Terminal/Terminal Separator is not a project area, it is highlighted in the Agency's Strategic Plan documents as a potential project area. If there is to be government action to redevelop this area, it appears the Agency would be well positioned to undertake this project. The total cost of the consulting study, which would be performed by a WBE contractor, is \$188,500 and \$45,000 would be loaned to City Planning for staff costs associated with the study.

In response to an inquiry from Mr. Kouba, Mr. Lazarus indicated that the money will be reimbursed to the Agency from one source or another.

Mr. Gamble indicated that this matter will be back before the Commission at the September 28, 1993 meeting for approval of a consultant contract.

ADOPTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 201-93 BE ADOPTED.

Mr. Helfeld introduced items (f) through (l), which request approval of contracts with seven economic service providers. Eight responses were received in response to a Request for Proposals (RFP), four of which were for employment development and the other four for business technical assistance. Only one organization submitted a proposal in addition to the seven organizations that currently have economic development contracts with the Agency and the Commissioners have been provided with a summary of all the responses. Following evaluation of the proposals, staff recommends an extension of the current economic service providers' contracts for a ten month term.

- (f) Mr. Helfeld introduced item (f), which requests authorization of a Seventh Amendment to the Personal Services Contract with Ella Hill Hutch Community Center (EHHCC) in an amount not to exceed \$221,667 for the period October 1, 1993 to July 31, 1994 for employment services in the Western Addition A-1 and A-2.

Richard Brown, Alford Sharon and Mary Trammell (EHHCC) made presentations and responded to questions from the Commissioners.

ADOPTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 191-93 BE ADOPTED.

- (g) Mr. Helfeld introduced item (f), which requests authorization of a Fifth Amendment to the Personal Services Contract with Young Community Developers (YCD) in an amount not to exceed \$166,667 for the period October 1, 1993 to July 31, 1994 to provide employment development in Bayview/Hunters Point and India Basin.

John Scott, YCD, made a presentation.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 192-93 BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), which requests authorization of a Fifth Amendment to the Personal Services Contract with South of Market Employment Center/Mission Hiring Hall, Inc. (SMEC) in an amount not to exceed \$183,333 for the period October 1, 1993 to July 1, 1994 to provide employment development services in the South of Market, Yerba Buena Center and other Redevelopment Project Areas.

Rich Sorro, SMEC, made a presentation and responded to questions from the Commissioners.

ADOPTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 194-93 BE ADOPTED.

- (i) Mr. Helfeld introduced item (i), which requests authorization of a Third Amendment to the Personal Services Contract with the South of Market Foundation (SoMaF) in an amount not to exceed \$145,000 for the period October 1, 1993 to July 31, 1994 for business technical assistance services in the South of Market.

Amelita Pasqual, SoMaf, made a presentation and responded to questions from the Commissioners. She noted an error in staff memorandum relative to the number of loan packages approved.

In response to an inquiry from Ms. Ong, Ms. Pasqual indicated that written material on the different types of loan packages will be provided to the Commissioners.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 194-93 BE ADOPTED.

- (j) Mr. Helfeld introduced item (j), which requests authorization of a Fifth Amendment to the Personal Services Contract with Urban Economic Development Corporation (UEDC) in an amount not to exceed \$158,333 for the period October 1, 1993 to July 31, 1994 for business technical assistance services in the Western Addition A-1, A-2, India Basin and Hunters Point.

Ray Jones, UEDC, made a presentation and responded to questions from the Commissioners.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 195-93 BE ADOPTED.

- (k) Mr. Helfeld introduced item (k), which requests authorization of a Second Amendment to the Personal Services Contract with Women's Initiative for Self Employment (WISE) in an amount \$26,500 for the period October 1, 1993 to July 31, 1994 for business technical assistance services in India Basin and Hunters Point.

Zenebu Bekele, WISE, made a presentation and responded to questions from the Commissioners.

ADOPTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 196-93 BE ADOPTED.

- (1) Mr. Helfeld introduced item (1), which requests authorization of a Second Amendment to the Personal Services Contract with San Francisco Renaissance (SFR) in an amount not to exceed \$26,500 for the period October 1, 1993 to July 31, 1994 for business technical assistance services in the Western Addition A-1, A-2, India Basin and Hunters Point.

Claudia Viek, SFR, made a presentation.

ADOPTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 197-93 BE ADOPTED.

- (m) Public Hearing to hear all persons interested in the assignment of a Land Disposition Agreement with Las Villas Partnership to a restructured Las Villas Partnership; Hunters Point.

Acting President Ong opened the Public Hearing to hear all persons interested in this matter.

Michele Davis, Housing Development Specialist, introduced item (m), which requests authorization of the assignment of the Land Disposition Agreement (LDA) with Las Villas Partnership to a restructured Las Villas Partnership for the development of Site S-6 located on the southwest corner of Newcomb and La Salle Avenues in Hunters Point.

- (n) Michele Davis, Housing Development Specialist, introduced item (n), which requests authorization of a Land Disposition Agreement with Las Villas Partnership for the development of Site S-6 located on the southwest corner of Newcomb and La Salle Avenues in Hunters Point.

Subsequent to authorization of an LDA with GSI Holdings, Inc. in March 1990 for the development of 27 three bedroom units, the LDA performance schedule was amended and the agreement was assigned to Las Villas Partnership. Assignment of the agreement to a restructured Las Villas Partnership, a joint venture comprised of GSI Holdings, Inc. and Wilmen Partnership, is being requested for the purpose of adding an additional equity partner. Wilmen Partnership is a California Limited Partnership comprised of Mendell Terrace Group and Alfred Wilsey, Jr., which will function as the Managing General Partner. The minority partner, GSI Holdings, Inc., is the General Partner of Las Villas Partnership and Miguel Perez, President of GSI, will continue to have a significant role in the development of the project. Delays have been encountered related to financing, re-organization and design and the proposed Second Amendment revises the performance schedule to call for conveyance of the site by October 25, 1993, commencement of construction by October 31, 1993, with completion

by April 30, 1995. Of the 27 units, 24 are expected to be affordable to households with incomes from below 75 percent to 120 percent of median income and the Agency will subsidize purchases with 'silent' second mortgages until such time as the units are sold when the subsidy will be recycled for subsequent low or moderate income household purchasers.

Theodore Cook, Mendell Terrace Group, described the background of the project and the difficulties encountered in securing a construction loan, which is now in place with Wells Fargo Bank.

There being no further persons wishing to appear in connection with this matter, the Acting President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT ITEM (m), RESOLUTION NO. 198-93, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT ITEM (n), RESOLUTION NO. 199-93, BE ADOPTED.

- (o) Helen Sause, Project Director, Yerba Buena Center, introduced item (o), which requests establishment of Rules for the public areas in Yerba Buena Gardens and authorization to request the Board of Supervisors to enact an ordinance which extends the San Francisco Park Code to the Yerba Buena Gardens, adds certain provisions to the code which protect the Gardens and its visitors, and allows the Agency to issue permits and set miscellaneous rules for the Yerba Buena Gardens in Yerba Buena Center. When the Gardens open on October 11, 1993, the Agency will be playing a new and unaccustomed role as the manager of public open space and has important interests in controlling the behavior of visitors to allow programs to be held, prevent damage to the Gardens and to promote safe enjoyment of the Gardens by the general public. Existing law does not authorize any regulation of public programming in Yerba Buena Gardens and does not apply any restrictions to visitors' conduct there beyond what would apply on a public street. The San Francisco Park Code (Code) governs other similar public space in the City by imposing reasonable time, place and conduct restrictions on activities there. The resolution before the Commission, which is designed to accommodate the Agency's temporary and permanent needs, would authorize use of the Code as interim rules for the Gardens and authorize a request to the Board of Supervisors to enact an ordinance extending the Code to encompass the Gardens and allow the Agency to issue permits and manage the Gardens. The YBG Policy Advisory Group, consisting of representatives of the South of Market community, Moscone Center and the Agency's maintenance and management contractors at Yerba Buena Center, has proposed a set of recommendations for management of the Gardens and conduct that should be restricted in the area. Staff compared the Group's recommendations to the existing Code and concluded that extending the Code to the Gardens would be the most efficient way

of setting rules with minor amendments to tailor it to the Gardens' needs.

Mr. Kitahata inquired whether consideration should be given to long term management of this facility, namely, management by another branch of City Government, rather than the Agency.

Mr. Helfeld indicated that when this was discussed in the past, it was concluded that this was something to be explored but that the Agency should operate it for a while and see what develops.

In response to an inquiry from Mr. Kouba, Ms. Sause indicated that the Parks and Recreation Department has resisted taking over management of the Gardens from the outset. It is desired to build experience and see how it works when the retail is built.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 200-93 BE ADOPTED.

REPORT OF THE PRESIDENT

- (a) Acting President Ong reported that in response to a letter she had written, Seoul, Korea is honoring Martin Luther King, Jr. and its Sister City relationship with San Francisco by awarding five scholarships to African American students who will be provided an opportunity to study at the Yonsei University in Seoul. She requested approval to write a thank you letter.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN THAT ACTING PRESIDENT ONG BE AUTHORIZED TO WRITE A THANK YOU LETTER TO THE KOREAN GOVERNMENT.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On September 30 at 6:00 p.m. there will be a workshop on Hunters Point Shipyard land use at the Southeast Community College.
- (b) The Mayor has announced the nomination of Manual A. Rosales to the Redevelopment Agency Commission. This nomination has been referred to the Rules Committee of the Board of Supervisors and should be heard on October 5, 1993.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Kitahata indicated that the Executive Director Search Committee and consultants have prepared a position profile which has been provided to the Commissioners for review and will be calendared for approval at the September 28 meeting.

Mr. Kouba indicated that the position profile should be sent to the Mayor's Office for review prior to it being calendared at a public meeting.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY
RELATED MATTERS

- (a) Ron Gallegos, President and Chairman of the Board of Directors, Mission Neighborhood Centers, Inc., indicated that a request will be forthcoming for economic support for the Carnival San Francisco 1995, a two day event that takes place on Memorial Day weekend.

Acting President Ong announced that there would be a Closed Session pursuant to Government Code Section 54957.6 to instruct the Agency's designated representative to negotiate with Local 790 and Local 21.

There will also be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's Real Property Negotiator. The property is located on the north side of Howard Street between Third and Fourth Streets in Yerba Buena Center and the entity the Agency may negotiate with is California Creole.

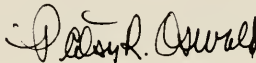
There will also be a Closed Session pursuant to Government Code Section 54956.9(b)(1), threatened litigation from (a) Sumitomo Construction America, Inc. and (b) Stole, a Division of PCL Construction Services, Inc.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. Kouba seconded by Mr. King, and unanimously carried that the meeting be adjourned to Closed Sessions on negotiations with Local 790 and Local 21, Real Property Negotiations, Threatened Litigation and Personnel. The meeting adjourned at 5:50 p.m.

. Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

October 26, 1993

DEC 8 - 1993

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
28TH DAY OF SEPTEMBER, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 28th day of September, 1993, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Leroy King
Gary Kitahata
Jon Henry Kouba
Leslie T. Schilling

and the following was absent:

Clarence R. Stern (Arrived 5:10 p.m.)

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Jim Lazarus, Mayor's Office; Supervisor Bierman; Alan Toma, CAABA/AAAE; Paul Friedberg, Architect; David Cincotta and Joy Ou, Soco, Ltd.; Geraldine Johnson; Darlene Williams, Housing Conservation and Development Corporation; Clay Brown, Ralph Anderson Associates, Yvonne Ladson, Ladson Associates; Jose Wheelock, TODCO; George Saxton, Gerson/Overstreet; and Pat Canestro.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meeting of August 10, 1993 and the Closed Session meetings of June 22 and 29, 1993, as distributed by mail to the Commissioners, be approved.

UNFINISHED BUSINESS

- (a) Michael Kaplan, Project Coordinator, Rincon Point-South Beach, introduced item (a), which requests approval of a waiver of the Affordability Provision of the Agency's Housing Participation Policy for Site F-1 (Billboard Site), located at the southwest corner of Delancey and Bryant Streets in Rincon Point-South Beach. Action on this item was continued from the August 10, 1993 meeting to allow time for the Commission to re-evaluate the Housing Participation Policy and a workshop on that subject occurred on September 7. The policy and its applicability to site F-1 has also been discussed at a recent meeting of the Rincon Point-South Beach Citizens Advisory Committee (CAC). The

CAC passed a resolution supporting staff's recommendation to waive the policy with respect to Site F-1, given the difficulties in developing the site. The resolution also requests that a portion of the funds from the sale of Site F-1 be used for affordable housing in the Rincon Point-South Beach area, if required. The Agency is currently receiving rent in the amount of \$58,300 annually for the use of the outdoor advertising sign on the property, which income is part of the overall Project budget, and it is recommended that the proceeds from the sale of F-1 be treated in the same manner rather than limited in their potential use. It should be noted that the capitalized value of the income stream the Agency will be losing by the sale of the land and the removal of the billboard is approximately equal to the land proceeds it is anticipated will be received. The nature of the terrain will result in extraordinary substructure costs which are estimated at approximately \$350,000 and any developer would probably want to build 24 units, the maximum allowed by the Redevelopment Plan, to spread the high substructure cost. Given the high costs which are associated with developing this site, it is difficult to find comparable properties as a basis for setting the minimum land value. Therefore, the prospective developers will be requested to submit a price offer with their proposal, taking into consideration the actual development costs anticipated. It is expected these offers will be in the range of \$400,000 to \$600,000.

Ms. Ong inquired if a waiver of the 40 percent affordable housing requirement as well as the construction of off-site affordable units or an in-lieu cash payment is being requested and Mr. Kaplan indicated affirmatively. He noted that there had been no responses to Requests for Qualifications issued previously setting a \$1 million minimum land price, the latest being in 1990.

Ms. Ong inquired if consideration had been given to making the affordable housing requirement less than 40 percent. Mr. Kaplan indicated that the value of the land is less than it would cost to build even one affordable housing unit and the prospective developers feel the only way a development will work is to build market rate condominiums.

Ms. Ong indicated that she could not agree to a waiver of the Housing Participation Policy currently in place and she would vote against this item.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. SCHILLING, AND CARRIED, WITH MS. ONG OPPOSING, THAT RESOLUTION NO. 202-93 BE ADOPTED.

NEW BUSINESS - CONSENT AGENDA

Acting President Ong indicated that a written request had been received from the Council of Asian American Business Associations to remove item (b) from the Consent Agenda and it would therefore be considered as a Regular Agenda item.

THE ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing an extension of Exclusive Negotiations with Steven L. Tate and Janice R. Trapp for the purchase and rehabilitation of 1866 Turk Street; Western Addition A-2.
- (c) Authorizing an amendment to the Personal Services Contract between the San Francisco Housing Development Corporation and the Agency for funding in an amount not to exceed \$231,119; Hunters Point/Western Addition.

Mr. Helfeld noted that the agenda incorrectly indicated the amount for item (c) to be \$228,774 and a revised resolution has been provided to the Commissioners.

ADOPTION: IT WAS MOVED BY MS. SCHILLING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) AND (c), RESOLUTION NUMBERS 202-93 AND 204-93, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (b) Jim Lazarus, Mayor's Office, introduced item (b), which requests authorization of a contract with Crosby, Helmich Architects to perform a study of re-use alternatives for the Transbay Terminal/Terminal Separator in an amount not to exceed \$188,500. On September 21, the Commission approved the setaside of temporary funding at the request of the Mayor's Office to perform architectural analysis of alternative sites for construction of arena facilities, transit terminals and convention exhibit hall space. The Mayor's Office has also requested that the Agency contract with Crosby, Helmich Architects, a woman-owned firm certified by the Human Rights Commission, to perform the work, which will be performed over the next four weeks in order to permit the City to utilize the analyses in discussions with potential users of the area facilities.

Alan Toma, CAABA/AAAE, noted his concern that a Request for Qualifications (RFQ) process had not been followed in selecting a consultant and requested the resolution before Commission not be adopted.

Ms. Ong indicated that the Agency is being requested to provide the money as a loan to the City that will be paid back and is not responsible for hiring a consultant. She noted a process is taking place within the Agency to formulate a policy on how contracts will be awarded and when a workshop is held on that subject staff will notify Mr. Toma so he can participate.

Mr. Kitahata requested that it be a condition of the contract that the consultant firm report back to the Commission in public session on the results of the work, which Mr. Lazarus indicated would be arranged.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 203-93 BE ADOPTED.

Ms. Ong acknowledged the presence of Supervisor Bierman.

- (d) Jack Robertson, Acting Chief, Housing Production and Management, introduced item (d), which requests authorization of a revision of the repayment terms of a Predevelopment Loan with GP/TODCO and approval of a \$75,000 development fee for GP/TODCO in connection with the development of affordable housing at 241 Sixth Street in the South of Market. GP/TODCO is developing 140 affordable single-room occupancy (SRO) units utilizing Agency subsidies and State and Federal low-income housing tax credits. An Agency \$452,467 predevelopment loan is scheduled to be repaid in October, however, the developer has no source of funds to repay \$43,699 of Agency predevelopment funds used for project administrative costs due to restrictions placed on it by the California Disaster Assistance Loan Program (CALDAP) and is requesting this amount be forgiven. The CALDAP program allows the developer to obtain only \$50,00 in administrative funding, including a developer fee. Since the Mayor's Office of Housing policy provides that non-profit developers are entitled to an unrestricted developer fee of \$100,000 for low-income housing projects, staff does not believe that the developer should be deprived of this fee due to restrictions imposed by the CALDAP program and recommends that the Agency provide the remaining \$75,000 development fee, \$25,000 of which has already been disbursed. \$50,000 would be disbursed at closing of all remaining construction financing and \$25,000 at such time that 50 percent of the project units are occupied. These requests have been approved by the City-wide Housing Loan Committee.

Mr. Robertson responded to questions from Mr. Kitahata regarding difficulties encountered due to restrictions on CALDAP funds and indicated that all appeals possible have been made without success.

ADOPTION: IT WAS MOVED BY MS. SCHILLING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 205-93 BE ADOPTED.

Acting President Ong indicated that items (i) and (j) would now be taken up and invited Supervisor Bierman to join the Commission.

- (i) Mr. Helfeld introduced item (i), a workshop to review the Preliminary Construction Documents for the Children's Center on Central Block 3 (CB-3) in Yerba Buena Center. It is recommended this item be continued since the visual aids model is not ready.

RULE OF THE CHAIR: ACTING PRESIDENT ONG INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (i), A WORKSHOP, WOULD BE CONTINUED TO THE MEETING OF OCTOBER 5, 1993. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (j) William Carney, Senior Landscape Architect, introduced item (j), which is a workshop and requests conditional approval of the revised Design Development Drawings for the Children's Garden on Central Block 3 (CB-3) in Yerba Buena Center. At a June 22, 1993 Commission workshop and associated public review sessions, Landscape Architect Paul Friedberg presented design development progress drawings for the Children's Gardens. At that time and at subsequent review sessions with the Landscape Architect, the Board of Directors of the Children's Place, which will be responsible for programming activities in the Garden as well as the Children's Place building, expressed a number of concerns. Mr. Friedberg has therefore prepared revised Design Development Drawings, the approval of which will permit him to complete preliminary and final construction documents in time to bid the garden portion of the project with the building portion in 1994. It is anticipated the completed Preliminary Construction Documents will be presented to the Commission in November.

Mr. Friedberg made a presentation on the revised Design Development Drawings and responded to questions from the Commissioners.

Supervisor Bierman noted that this has been a long process and expressed appreciation to the Commission and staff for their support.

Mr. Kitahata inquired how all age groups can be accommodated, particularly small children. Mr. Friedberg indicated that this issue had been raised earlier and there will be a sand area for young children to play and more active areas for older children. Multi-tiered arrangements will permit parents to watch over the range of all age groups.

ADOPTION: IT WAS MOVED MR. KOUBA, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 209-93 BE ADOPTED.

- (e) Darby Kremers, Senior Real Estate Development Specialist, introduced item (e), which requests authorization to issue a Request for Proposals for the purchase and development of Site F-1 (Billboard Site) located at the southwest corner of Delancey and Bryant Streets in Rincon Point-South Beach. The most distinctive characteristic of the site is its steepness with a change in elevation within the parcel of 30 plus feet. This aspect of the site presents significantly higher than normal substructure costs, while offering the potential for bay views from the upper levels of any development on the site. The Redevelopment Plan permits up to 24 residential units. The development teams that responded to a Request for Qualifications appear well qualified to undertake development of the site and will be invited to submit proposals. A minimum price has not been set for the parcel so the actual costs associated with developing this difficult site, including the cost of removing the Billboard, can be taken into consideration and result in a feasible development. Given the topography of the site, the RFP also indicates that the Agency may consider a variance to the lot

coverage requirements (65 percent coverage) if additional open space elements are included in the development. A sixty day period will be allowed for submission of proposals and, following evaluation, the developer submitting the best proposal, taking into consideration the utilization of the site, the purchase price offered and the capacity to undertake the development, will be recommended for exclusive negotiations.

In response to an inquiry from Mr. Kouba regarding proposals that may be received at a later date, Ms. Kremers indicated that it is intended to adhere to the RPF process which has a sixty day time limit for submission of proposals.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 206-93 BE ADOPTED.

- (f) Jack Robertson, Acting Chief, Housing Production and Management, introduced item (f), the purpose of which is for consideration of a request from Soco, Limited for a 24 month extension of the compliance date with the affordable housing conditions of the Owner Participation Agreement (OPA) for the Post International Development located at the northeast corner of Gough and Post Streets in the Western Addition A-2. In March 1991, an OPA was approved with Soco, Ltd., the partnership that is developing the Post International Project of 72 luxury condominiums. As a condition of approval, the owner agreed to either complete construction of 16 units of affordable housing off-site or to contribute \$700,000 to the Agency's Affordable Housing Fund prior to occupancy of the Post International Project. The developer is seeking approval to occupy the Project now, with an additional 24 months period to comply with the housing requirements. Staff recommends permitting occupancy by the commercial tenant which is ready to move in immediately to avoid disruption of the developer's plans. However, staff does not recommend an extension of the affordable housing compliance and recommends stipulating that payment of the affordable housing contribution must be made prior to any further commercial or residential occupancy occurs. The Commissioners have been provided with a proposal from Soco, Ltd. for a mixed-use development of 28 residential units, 19 of which would be affordable, with ground floor commercial space at 5810 Mission Street. Staff had difficulty in evaluating the proposal because the developer does not have site control and the pro forma includes a number of optimistic assumptions or assumptions that do not fully meet the OPA conditions, so the project may not be feasible. Although it is not a requirement of the OPA for the off-site units to be in the Western Addition, the site is on Mission Street near the Daly City border. The anticipated \$700,000 payment to the Affordable Housing Fund was included in the Agency's 1993-94 approved budget and Site 1100-T in the Western Addition would accommodate 14-16 units for which the subsidy is needed.

Mr. Stern arrived at this time, 5:10 p.m.

The following persons spoke regarding item (f): David Cincotta, Attorney representing the Developer; Joy Ou, Developer; and Geraldine Johnson.

Mr. Cincotta and Ms. Ou requested approval of an extension of affordable housing conditions in the OPA.

Ms. Johnson noted her opposition to an extension being granted and to the money being taken out of the Western Addition.

Following an extensive discussion between the Commissioners, staff and the Developer representatives, the following motion was made:

MOTION: IT WAS MOVED BY MS. SCHILLING, SECONDED BY MR. STERN, THAT AN EXTENSION BE GRANTED CONDITIONED UPON THE DEVELOPER: (1) PROVIDING A PURCHASE AGREEMENT WITHIN THREE MONTHS THAT GUARANTEES CLOSING ON THE MISSION STREET LAND FOUR MONTHS FROM SEPTEMBER 28, 1993: AND (2) PROVIDING THE AGENCY WITH A NOTE FOR \$700,000 AT 10 PERCENT INTEREST SECURED BY DEEDS OF TRUST ON 16 COMPLETED UNITS AT THE POST INTERNATIONAL PROJECT PAYABLE IF THE CLOSING DOES NOT OCCUR WITHIN FOUR MONTHS. ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Schilling
Mr. Stern

AND THE FOLLOWING ANSWERED "NAY":

Mr. King
Mr. Kitahata
Mr. Kouba
Ms. Ong

AND THE FOLLOWING ABSTAINED:

None

THE ACTING PRESIDENT THEREUPON DECLARED THAT THE MOTION FAILED.

- (g) Michele Davis, Housing Development Specialist, introduced item (g), which requests authorization of an Amendment to the Predevelopment Loan Agreement with the Housing Conservation and Development Corporation (HCDC) to provide additional funds not to exceed \$100,000 to cover predevelopment expenses associated with the development of Site HH-1 located on the southeast corner of Kiska Road and Ingalls Avenue, a portion of which is in Hunters Point, as part of the City-wide Tax Increment Housing Program. Subsequent to approval of a Predevelopment Loan Agreement in an amount of \$75,000, the developer is requesting an additional amount of up to \$100,000 to cover predevelopment expenses for the development of 38 low-income homeownership units. The loan would be repaid in April 1994, with interest, from construction loan proceeds. This funding request has been approved by the City-wide Housing Loan Committee.

Ms. Davis introduced Darlene Williams, HCDC.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 207-93 BE ADOPTED.

- (h) James Nybakken, Administrative Services Officer, introduced item (h), which requests approval of a position profile to be used for the recruitment of a new Executive Director. Subsequent to approval of a contract with Ralph Andersen & Associates to assist with the Executive Director search, the consultants have met with each of the Commissioners with the Search Committee to develop a position profile which has been provided to the Commissioners and also sent to the Mayor's Office for review.

Mr. Nybakken noted the presence of consultant Clay Brown, Ralph Anderson Associates, and sub-consultant Yvonne Ladson, Ladson Associates.

Mr. Kouba noted that the Mayor's Office is satisfied with the position profile submitted.

ADOPTION: IT WAS MOVED BY MS. SCHILLING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 208-93 BE ADOPTED.

REPORT OF THE PRESIDENT

- (a) Acting President Ong reported that she had participated in a press conference held on September 28 to reveal a major gift from the City of Seoul, Korea, to San Francisco's African-American community on the occasion of the dedications of the Martin Luther King, Jr. Memorial and the Sister City Gardens in the Yerba Buena Esplanade Opening.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On September 30 at 6:00 p.m. there will be a workshop on Hunters Point Shipyard land use at the Southeast Community College.
- (b) On September 29 at 10:00 a.m. there will be a ground breaking ceremony for Las Villas Townhouses at La Salle and Newcomb Streets.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Kitahata indicated that at the most recent Strategic Planning Committee meeting a discussion had taken place regarding renaming the Agency and it is proposed to request staff to return with a recommendation that the Agency be renamed the San Francisco Development Agency. This item will need to be calendared at a public meeting.

Mr. King indicated that a workshop should be held.

Mr. Helfeld indicated that, since there will not be a regular meeting on October 12, this item will be calendared for October 19, and in the interim community groups will be notified.

Jennifer Bell, Acting Agency General Counsel, noted that there is a need to verify the legality of the name change.

Mr. Stern indicated that the item will be calendared subject to verification by Legal Staff.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY
RELATED MATTERS

- (a) Geraldine Johnson requested the assistance of the Commissioners in securing sponsors to produce a souvenir program for the dedication of the Martin Luther King, Jr. Memorial.

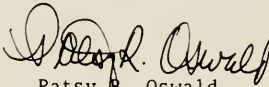
Acting President Ong announced that there would be a Closed Session pursuant to Government Code Section 54957.6 to instruct the Agency's designated representative to negotiate with Local 790 and Local 21.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Ms. Schilling, seconded by Mr. King, and unanimously carried that the meeting be adjourned to Closed Sessions on negotiations with Local 790 and Local 21 and Personnel. The meeting adjourned at 6:10 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

November 9, 1993

DEC 8 - 1993

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
5TH DAY OF OCTOBER, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 5th day of October, 1993, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Leroy King
Gary Kitahata
Jon Henry Kouba
Leslie T. Schilling
Clarence R. Stern

and the following was absent:

None

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Adele Santos, Architect; Clove Jones, SFRA; Darlene Williams and Daniel Reidy, Housing Conservation Development Corporation (HCDC); Peter McKenzie, David Baker Associates; Donetta Lane; Marie Franklin, President Shoreview Tenants Association; Louse Vaughn, Geneva Towers Tenants Association; Shelley Bradford Bell, SBB Communications; Marcia Bedford, Public Affairs Management; Sharon Brown, Knox Partners Limited Partnership; Mimi Figlin, Pasqua, Inc.; Geraldine Johnson; Louis Clinton and Leamond McGriff, California Creole Cafe; Peter Farquhar and Copriviza-San, 1600 Sutter Block Neighborhood Association.

Representing the press was: Gerald Adams, San Francisco Examiner.

UNFINISHED BUSINESS

- (a) William Carney, Senior Landscape Architect, introduced item (a), a workshop, the purpose of which is to review the Preliminary Construction Documents for the Children's Center on Central Block 3 (CB-3) in Yerba Buena Center. The site for the Children's Center, located between Howard and Folsom and Third and Fourth Streets, consists of the remaining portion of the roof of the original Moscone Convention Center not occupied by the recently completed Moscone meeting rooms. The block is programmed for educational, recreational and services uses for children and families. Its uses include a childcare center, a children's cultural center and an ice skating/bowling Center. An intensive planning effort by the architect and community and technical and

advisory groups resulted in a master plan, program and budget for the site. The schematic design evolved through a number of community review sessions and Commission workshops. Construction of the project is scheduled to begin in 1994 and be completed in 1996. The design and construction of the children's facilities on CB-3 represent the last major step towards bringing Yerba Buena Gardens to completion. Upon completion of staff review of the preliminary constructions documents and cost estimate submitted by the architects, Commission action will be calendared.

Adele Santos, Architect, made a design presentation and responded to questions from the Commissioners.

NEW BUSINESS - CONSENT AGENDA

At the request of Acting President Ong, item (c) was removed from the Consent Agenda and considered as a Regular Agenda item and item (e) was removed from the Consent Agenda and considered as a Regular Agenda item at staff request.

THE ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE VOTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing a Third Amendment to the Memorandum of Agreement with International Federation of Professional and Technical Engineers Local 21 to extend the term through November 30, 1993.
- (b) Authorizing a Third Amendment to the Memorandum of Agreement with United Public Employees Local 790 to extend the term through November 30, 1993.
- (d) Awarding Demolition and Site Clearance Contract No. 86 for the demolition and site clearance of 1694-96 Sutter Street and the concrete block structure in the parking lot located at the northwest corner of Myrtle Street and Van Ness Avenue to Ferma Corporation in an amount not to exceed \$68,911; Western Addition A-2.

ADOPTION: IT WAS MOVED BY MS. SCHILLING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a), (b) AND (d), RESOLUTION NUMBERS 210-93, 211-93 AND 213-93, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) James Nybakken, Administrative Services Officer introduced item (c), which requests authorization of an amendment to the Personal Services Contract with Shannon Associates to incorporate additional positions and finalize classification and salary plans. In September 1992, a contract was approved with Shannon Associates to perform a Salary and Classification Study of Agency positions. Work on the study was stopped near the end of the classification study in order to incorporate findings of the

staff and organizational analysis portion of the Strategic Plan, which includes an analysis of staffing and organization needed to carry out the projected Agency program. In addition, classification work needs to be done on the positions that were transferred to the Agency from the Mayor's Office of Economic Planning and Development (MOEPD). In order to do this additional classification work, an amendment to the Shannon contract in an amount not to exceed \$14,000 will be required.

In response to an inquiry from Ms. Ong, Mr. Nybakken described the process involved in the salary and classification study, which is expected to be completed by mid-November. He indicated that the process is moving as expeditiously as possible in conjunction with the Strategic Plan.

ADOPTION: IT WAS MOVED BY MS. SCHILLING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 212-93 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a Predevelopment Loan for \$75,000 with Housing for Independent People for the development of 21 units for mentally disabled persons at 1096 Eddy Street as part of the Citywide Tax Increment Housing Program. It is recommended this item be continued.

RULE OF THE CHAIR: ACTING PRESIDENT ONG INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (e), RESOLUTION NO. 214-93, WOULD BE CONTINUED AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

Acting President Ong indicated that item (s) would now be taken up.

- (s) Louis Preston, Assistant Director, Community Services, introduced item (s), which commends and expresses appreciation to Clove Jones for his services upon the occasion of his retirement from the San Francisco Redevelopment Agency. Mr. Jones has been employed by the Agency since July 1973. He was initially assigned to the Western Addition Project Area and subsequently worked in Central Maintenance after it was formed in 1976. Mr. Jones has been a dedicated and exemplary employee who has made a great contribution to the Agency by his commitment to providing quality services. This opportunity is taken to wish Mr. Jones the best of health, happiness and success in his future endeavors.

Acting President Ong, on behalf of the Commission, expressed appreciation to Mr. Jones for his service to the Agency.

Mr. Jones thanked the Commissioners for the commendation.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 227-93 BE ADOPTED.

- (f) Public Hearing to hear all persons interested in a Land Disposition Agreement for development of Site HH-1; Hunters Point.

Acting President opened the Public Hearing to hear all persons interested in this matter.

Michele Davis, Housing Development Specialist, introduced item (f), which requests authorization of an Agreement for Disposition of Land with Housing Conservation and Development Corporation (HCDC) for the development of Parcel HH-1 located on the southeasterly side of Kiska Road and Ingalls Avenue in Hunters Point. Following acquisition by the Agency of the property in 1987, exclusive negotiations were entered into with John P. Hunter, a for-profit developer, who proposed to build a commercial shopping center. No progress was made and the exclusive negotiations period expired. Members of the community met in November 1989 to determine the use of the site and stressed the need for ownership housing to support the commercial uses, which became recognized as a priority for the site. All respondents to a Request for Qualifications were rejected by the Commission because none had the requisite experience for the development of a mixed-use project. In April exclusive negotiations with Mr. Hunter and HCDC were entered into for the development of a mixed-use project, however, following further analysis of the site and the market area, studies determined that commercial use of the site would not be viable and Mr. Hunter withdrew from the project. In October 1991, exclusive negotiations were authorized with HCDC as the sole developer of the site who approached the community for input on the proposed change from a mixed-use project to an affordable homeownership development, which was supported by representatives from thirteen community groups. HCDC has formulated a viable development proposal for the construction of 38 units of ownership housing affordable to households with incomes below 85 percent of the area median income. Wells Fargo Bank is providing a construction financing commitment and loan closing is expected by April 1994 with completion of the units tentatively scheduled for November 1995.

Ms. Davis introduced Darlene Williams, HCDC; Peter McKenzie, David Baker Associates, Project Architects; Daniel Reidy, Attorney for HCDC; and Donetta Lane, ex HCDC Board member and Marketing Specialist.

The following persons spoke regarding item (f): Marie Franklin, President, Shoreview Tenants Association; and Louise Vaughn, Geneva Towers Tenants Association.

The speakers noted their opposition to this item because the area needs commercial amenities which will provide employment and entrepreneurial opportunities for the community.

In response to an inquiry from Ms. Ong, Ms. Davis indicated that standard Agency procedures had been followed with regard to noticing the public hearing and it had been published in the New Bayview newspaper.

Commissioners King and Kitahata noted that the need for commercial use is recognized and over the years a great deal of effort has been put into trying to develop a mixed-use project, however, because of market conditions it is not economically feasible.

There being no further persons wishing to appear in connection with this matter, the Acting President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 215-93 BE ADOPTED.

- (g) Byron Rhett, Project Coordinator, Hunters Point Shipyard, introduced item (g), which requests authorization of a Personal Services Contract with SBB Communications for an amount not to exceed \$19,310 to assist the Hunters Point Shipyard Citizens Advisory Committee in their Conference in January 1994 in connection with the Hunters Point Shipyard. The Agency has been designated by the Mayor's Office as the lead agency in planning the reuse of the Shipyard and is developing a Land Use Plan for redevelopment of the Shipyard. A Land Use Task Force has been organized to undertake that effort that consists of representatives from the Agency, the Department of City Planning, the Port of San Francisco, the City Attorney's Office and the Hunters Point Shipyard Citizens Advisory Committee (CAC). The CAC, which was created by the Mayor to solicit community input regarding the development of the Shipyard, holds monthly meetings to present information to the community. In that connection, a conference is planned for January 29, 1994 to review land use program alternatives and, following a Request for Qualifications (RFQ) process for conference planners, a team of SBB Communications as the lead consultant and Public Affairs Management as the sub-consultant is recommended by the Selection Committee from the five proposals that were submitted. The conference will be for approximately 200 people and will take place at the Southeast Community College facility. The purpose of the conference is to review with the community a series of land use program alternatives which will be developed by City Planning in conjunction with the Land Use Task Force and it will provide an opportunity to increase community awareness of the Hunters Point Shipyard and the CAC.

Mr. Rhett introduced Shelley Bradford Bell, SBB Communications; and Marcia Bedford, Public Affairs Management.

In response to an inquiry from Mr. Kitahata, Mr. Rhett indicated that there is a possibility of reimbursement from planning grants and it is also possible sponsors will be secured, which would reduce the cost.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 216-93 BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), which requests authorization of a Letter Agreement in an amount of \$265,000 with the Department of City Planning for Master Planning and Environmental Review Services in connection with the Hunters Point Shipyard. It is requested this item be continued.

RULE OF THE CHAIR: ACTING PRESIDENT ONG INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (h), RESOLUTION NO. 217-93, WOULD BE CONTINUED AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (i) Jack Robertson, Acting Chief of Housing Production and Management, introduced item (i), which requests authorization for the Redevelopment Agency to provide relocation assistance in connection with the development of affordable housing at 241 Sixth Street in the South of Market. In August 1993, the Agency provided a \$2,885,000 funding commitment to the Knox Partners Limited Partnership for the construction of 140 affordable single-room occupancy (SRO) units at 241 Sixth Street, replacing the 168-unit Anglo Hotel destroyed by the October 1989 earthquake. This commitment includes \$200,000 in relocation assistance. Through a \$4,471,000 loan, the State is also providing approximately \$180,000 in relocation funds to the project. While it appears because of the low tenant response that the existing amount of relocation funds will be more than sufficient, the State is requesting that either the Developer or the Agency pledge that additional relocation funds will be provided if needed. The State is willing to utilize more of its loan for relocation funds, however, that would leave a proportionate shortfall in construction funds. The Developer is a non-profit sponsor with no real assets and a pledge to provide more than \$200,000 in Agency relocation funds would not pose a material increase in the Agency's financial commitment to this project, which is important to the revitalization of Sixth Street. It is proposed the pledge be authorized since the possibility of additional relocation funds being needed is remote.

Mr. Robertson introduced Sharon Brown, Knox Partners Limited Partnership.

In response to an inquiry from Mr. Kouba, Mr. Robertson indicated that a "cap" has been negotiated with the State whereby the Agency will not be responsible for relocation benefits after three years have elapsed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 218-93 BE ADOPTED.

- (j) Public Hearing to hear all persons interested in a lease in connection with the West Cafe; Yerba Buena Center.

Acting President Ong opened the Public Hearing to hear all persons interested in this matter.

Darby Kremers, Senior Real Estate Development Specialist, introduced item (j), which requests authorization of a lease with Pasqua, Inc. for the West Cafe in the Yerba Buena Gardens of Yerba Buena Center. Subsequent to authorization of exclusive negotiations in June 1993, all terms of the lease have been satisfactorily negotiated and the lease, which is for ten years with two five-year options, is recommended for approval. Pasqua, Inc. was brought to the Agency by TRI Realtors and the lease provides for a \$10,000 brokerage fee to that firm.

Ms. Kremers introduced Mimi Figlin, Pasqua, Inc.

Acting President Ong left the meeting at this time, 5:07 p.m., and Commissioner King assumed the Chair.

There being no persons wishing to appear in connection with this matter, Commissioner King declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 219-93 BE ADOPTED.

- (k) Public Hearing to hear all persons interested in a lease in connection with the East Cafe; Yerba Buena Center.

Commissioner King opened the Public Hearing to hear all persons interested in this matter.

Darby Kremers, Senior Real Estate Development Specialist, introduced item (k), which requests authorization of a lease with California Creole, Inc. for the East Cafe in the Yerba Buena Gardens in Yerba Buena Center. Subsequent to authorization of exclusive negotiations in June 1993, all terms of the lease have been satisfactorily negotiated and the lease, which is for ten years with two five-year options, is recommended for approval.

Ms. Kremers introduced Louis Clinton and Leamond McGriff, California Creole Cafe, Inc.

There being no persons wishing to appear in connection with this matter, Commissioner King declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 220-93 BE ADOPTED.

Acting President Ong returned to the meeting at this time, 5:13 p.m., and resumed the Chair.

- (l) Edmund Ong, Chief, Architecture, introduced item (l), which requests authorization of a Fifth Amendment to the Construction Management Contract with Turner Construction Company in connection with Yerba Buena Center. The proposed amendment would increase the amount payable by \$433,000 for a total contract amount of \$5,843,000 and extend the term of the contract until completion of the Yerba Buena Gardens projects through January 31, 1994. \$35,000 of the total amount is for additional testing

and inspection services performed by Signet Testing Company, an MBE firm, and \$10,000 is a contingency amount. The three months extension is necessary to allow Turner to continue construction management services on the Visual Arts Center, the Yerba Theater, the Esplanade and the East Garden until construction completion. Funds are available from the 1993-94 Agency budget.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 221-93 BE ADOPTED.

- (m) Edmund Ong, Chief, Architecture, introduced item (m), which requests authorization of an Eleventh Amendment to the Record Architect Agreement with Robinson, Mills and Williams (RMW) in connection with the Visual Arts Center in Yerba Buena Center. The proposed amendment increases the amount payable by \$130,000 for a total contract amount of \$2,304,445 and modifies dates contained in the contract to reflect the new date of October 10, 1993 for substantial completion of the building. It provides the funds necessary to retain RMW to service the project through completion thus maintaining both their professional and legal responsibilities. The amendment also provides payment for additional services including preparation of bulletins required because of changed field conditions, additional shop drawings and submittal reviews and preparation of multiple punch lists of construction deficiencies. Funds are available within the design contingency contained in the Yerba Buena Gardens budget and within the 1993-94 fiscal year Agency budget for design and construction of the Gardens.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 222-93 BE ADOPTED.

- (n) Edmund Ong, Chief of Architecture, introduced item (n), which requests authorization of an Eighth Amendment to the Record Architect Agreement with James Stewart Polshek and Partners in connection with the Yerba Buena Theater in Yerba Buena Center. The proposed amendment increases the amount payable by \$94,000 for a total contract amount of \$2,035,850 and modifies certain dates within the contract to reflect the new date of October 10, 1993 for substantial completion of the building. It provides the funds necessary to retain the Polshek firm until completion of construction thus maintaining both their professional and legal responsibilities. The amendment provides funds for additional services required because of changed field conditions, operator requested changes improving the functioning of the theater and additional architectural presence on the site to accommodate the extended construction schedule. Funds are available within the design contingency contained in the Yerba Buena Gardens budget and within the 1993-94 Agency budget for design and construction.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 223-93 BE ADOPTED.

- (o) Edmund Ong, Chief, Architecture, introduced item (o), which requests authorization of a 4 percent increase in the Change Order Authorization for the Yerba Buena Gardens Construction Contracts in connection with the Agency's improvements on Central Block 2 (CB-2) in Yerba Buena Center. Following commencement of construction on the Yerba Buena Gardens projects, including the Visual Arts Center, the Yerba Gardens Theater, the Esplanade and the East Garden, staff was authorized to approve construction change orders in the amount of 10 percent. Subsequently complexities arose from having to construct over the Moscone Convention Center expansion resulting in different field conditions than originally anticipated thereby increasing the work scope and changing Building Code and American Disabilities Act requirements. A 4 percent increase in the previous authorization is being proposed to enable staff to approve construction change orders within 14 percent of the contract amounts.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 224-93 BE ADOPTED.

- (p) Edmund Ong, Chief of Architecture, introduced item (p), which requests authorization of a Fourteenth Amendment, which increases the amount payable by \$120,000, to the Architectural Agreement with MGA Partners for extended services related to the Esplanade in Yerba Buena Center. The scheduled completion of the Esplanade has been extended by approximately ten weeks, resulting in the need for additional architectural construction phase services. Following substantial completion of the project, additional time is anticipated for remedial and punch list work. The proposed amendment provides \$83,500 for these services, a \$16,000 contingency for further extensions and other related services and \$20,500 for travel and other reimbursable expenses. Funds are available from the overall Yerba Buena Gardens budget and are within the Agency's 1993-94 budget for design and construction of the Gardens.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 225-93 BE ADOPTED.

- (q) Edmund Ong, Chief of Architecture, introduced item (q), which requests authorization of a Fifth Amendment, which increases the amount payable by \$15,000, to the Landscape Architectural Agreement with Omi Lang Associates for extended services related to the East Garden in Yerba Buena Center. The scheduled completion of the East Garden has been extended by approximately six weeks, resulting in the need for extended landscape architectural construction phase services. The proposed amendment funds these services and other additional services related to unforeseen field conditions. Funds are available within the overall East Garden and Yerba Buena Gardens project budgets and the Agency's 1993-94 budget for construction of the the Gardens.

ADOPTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 226-93 BE ADOPTED.

- (r) Edmund Ong, Chief of Architecture, introduced item (r), which requests authorization of a \$992,000 Liquidation Agreement with Stolte, a Division of PCL, for extended overhead and other claims related to construction of the Esplanade in Yerba Buena Center. The construction of the Esplanade was originally scheduled for completion on July 29, 1993, however, site complexities have lead to the currently scheduled completion of work on October 10, with completion of deferred work scheduled for November 1993. A number of factors led to the extended construction schedule including: inability to access the construction site, which is the roof of the Moscone Convention Center expansion (MCE); the inordinate amount of rain that occurred, which exceeded the number of rain days built into the construction contract; the complexities that occur when constructing over the roof of another facility such as the MCE: the construction inefficiencies that resulted from having to construct over an operating convention facility; development of construction documents for the Agency's projects based upon MCE documents which were subject to modification as construction of the convention center proceeded; and final design and public review of major elements of the Esplanade as final construction documents were being prepared. This schedule extension has resulted in claims of approximately \$1.7 million by the general contractor and the subcontractors for extended overhead costs, overtime work, loss of productivity and related items. A final settlement amount of \$992,000 has been negotiated to settle all these claims and assure timely completion of work. Funds are available in the line item for Yerba Buena Center legal claims in the Agency's 1993-94 budget.

Mr. Kouba inquired whether the money required for the changes are still within the original budget authorized and Mr. Ong indicated that final figures are not available because all change orders have not been finally approved. In addition, there are ongoing negotiations with Sumitomo Construction America, the general contractor for the Visual Arts Center and the Yerba Buena Theater. However, the figure is expected to be close to the \$87.6 million budget established for this project.

Mr. Kitahata noted that this is a very complicated project and an extraordinary job has been performed by everyone involved.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 227-93 BE ADOPTED.

REPORT OF THE PRESIDENT

- (a) Acting President Ong noted the events scheduled for the Yerba Buena Gardens opening ceremonies scheduled for October 11 through 17, 1993.

Geraldine Johnson inquired whether invitations had been sent to the labor community and Helen Sause, Project Director, Yerba Buena Center, indicated affirmatively.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In reponse to an inquiry from Ms. Schilling regarding the status of the Williams Building, Helen Sause, Project Director, Yerba Buena Center, indicated that a permit to begin the interior preparation has been issued. The overall permit for demolition is expected to be issued within the next few days and this will trigger a fifteen day appeal period. It will therefore be towards the end of October before the contractor can be authorized to proceed. She noted that there are ongoing negotiations with FEMA whereby they would fund costs for taking the building down or they are trying to see if they can fund adequate repair of the building.

Mr. Helfeld indicated that FEMA has been advised staff is willing to continue discussions, however, the Agency is proceeding with the demolition permit. He indicated he would be very surprised if FEMA will come up with anything that will change the direction that is being pursued, namely demolition.

Ms. Sause indicated that FEMA has been advised verbally and in writing that the Agency will proceed with demolition unless a check or certification that they will deliver a check is received.

- (b) In response to an inquiry from Mr. Kitahata, Mr. Helfeld noted that Claude Ganz, President of the Board of Directors of the Jewish Museum, indicated that the Museum is very interested in pursuing the Jessie Street Substation site, however, they are still awaiting a decision from the San Francisco Museum of Modern Art (SFMMA) on its availability. Mr. Baker of SFMMA has indicated a decision will be made by December 22. Mr. Ganz indicated he is not certain that the Jewish Museum will seek to become a co-developer of Parcel EB-2C and he was advised that since Parcel EB-2A has not yet been offered, there is plenty of time to consider that parcel if EB-2C is not pursued.

Ms. Schilling noted that SFMMA's decision is predicated upon their getting permission for a parking garage on Pacific Telephone land and and it is important to have assurance from the City Planning Department that it will be approved.

Mr. Helfeld indicated that Mr. Baker has advised he has assurances from City Planning that the garage will be approved, however, the problem now is securing financing to construct the garage.

- (c) Mr. Stern reported that on September 29 he had attended a groundbreaking for the Las Villas affordable housing development in Hunters Point, which was a very successful event.

- (d) In response to an inquiry from Ms. Ong regarding the Bush Street Synagogue, Mr. Helfeld indicated that Mr. Warburg has requested an extension because it is proposed to move the Synagogue off the site. This would be a good solution, however, it will be expensive to buy a site and there has to be enough money to move the building. In addition, there has to be approval by the Landmarks Board. Staff is endeavoring to determine how long the process will take and the Commissioners will be kept advised of developments.

Ms. Ong noted she had received inquiries from Korean community organizations expressing an interest in developing the Synagogue site. An interest has been expressed by Mr. Hatsura Aizawa in joint venturing with Kimochi to develop senior housing on the adjacent garage site, however, he indicated that the land price is too high and Ms. Ong indicated she would like this investigated.

Acting President Ong announced that there would be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Ms. Stern, seconded by Mr. King, and unanimously carried that the meeting be adjourned to a Closed Session on Personnel. The meeting adjourned at 5:35 p.m.

Respectfully submitted,


Estelle Crawford
Acting Agency Secretary

APPROVED

November 9, 1993

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10/19/93

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11
MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
19TH DAY OF OCTOBER, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 19th day of October, 1993, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Leroy King
Jon Henry Kouba
Clarence R. Stern

and the following were absent:

Gary Kitahata
Leslie T. Schilling (Arrived 4:10 p.m.)

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: David Brigode, Project Manager, Housing for Independent People; Yvette McCoy, Future Perfect, Inc.; Espanola Jackson, South Bayshore Citizens Advisory Committee; Norman Pearce, Prima Coffee Roastery, Inc.; Thomas Lee, LDA Architects; and Ocie Mae Rogers, New Bayview.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Kouba, and unanimously carried that the Regular Minutes of August 17, 24 and 31, 1993, as distributed by mail to the Commissioners, be approved.

UNFINISHED BUSINESS

- (a) Philip Williams, Housing Development Specialist, introduced item (a), which requests authorization of a \$75,000 Predevelopment Loan Agreement with Housing for Independent People (HIP) for the development of 21 units for mentally disabled persons at 1096 Eddy Street in the Western Addition A-1 as part of the Citywide Tax Increment Housing Program. HIP plans to acquire the property located at 1096 Eddy Street for the development of 21 one-bedroom units for mentally disabled persons capable of independent living with supportive services, which will be contracted for with Progress Foundation. A \$3,382,750 commitment from the U.S. Department of Housing and Urban Development (HUD) to fund development and operation of the proposed project is contingent upon commencement of construction by September 1994. The

requested \$75,000 predevelopment loan, which has been approved by the Citywide Tax Increment Loan Committee, is to provide funding for consultants to prepare design studies, develop financial proformas and determine more accurate cost estimates for the proposed project. It is anticipated the predevelopment loan will be repaid in October 1994 when HUD disburses funds. There are several land use restrictions attached to the property that must be removed for the project to be viable and it is anticipated that the Commission will be requested to approve a waiver of the Grant Deed Restriction and variances related to setback, parking and density. Discussions are also in process with the City's Department of Public Works and Department of Real Estate regarding removal or relocation of existing City utility easements.

Ms. Schilling arrived at this time, 4:10 p.m., during Mr. Williams' presentation.

Mr. Williams introduced David Brigode, Project Manager.

In response to an inquiry from Mr. Kouba, Mr. Williams indicated that HIP has been requested to continue outreach efforts and to keep the community fully informed regarding all aspects of the project that will affect the neighborhood.

ADOPTION: IT WAS MOVED BY MS. SCHILLING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 214-93 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests approval of a Letter Agreement in an amount of \$205,000 with the Department of City Planning for Master Planning and Environmental Review Services in connection with Hunters Point Shipyard. Discussions are continuing with City Planning regarding the amount of the Letter Agreement and it is requested this item be continued.

RULE OF THE CHAIR: ACTING PRESIDENT ONG INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (b), RESOLUTION NO. 217-93, WOULD BE CONTINUED AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS - CONSENT AGENDA

Acting President Ong indicated that there are members of the public who wish to speak regarding item (b) and it would therefore be removed from the Consent Agenda and considered as a Regular Agenda item.

THE ITEM LISTED HEREUNDER CONSTITUTES A CONSENT AGENDA, IS CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WAS ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing a Contract with the EBA School of Art to design, fabricate and install banners on Sixth Street for an amount not to exceed \$27,000; South of Market.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM (a), RESOLUTION NO. 229-93, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (b) Jack Robertson, Acting Chief of Housing Production and Management, introduced item (b), which requests authorization of the re-issuance and extension of a Request for Qualifications for the development of 10-12 housing units on the Keith Street parcel located on the south side of Keith Street at Hudson Avenue in Hunters Point and approval of advertising expenses in an amount not to exceed \$6,000 for the offering. No responses were received to a Request for Qualifications (RFQ) issued on August 24 by the deadline of September 30, 1993. Subsequently one submission was received and interest has been expressed by numerous other developers who requested additional time to respond to the RFQ. It is therefore proposed to extend the response period by sixty days, with submissions due by 12:00 p.m. on December 17, 1993.

The following persons spoke regarding item (b): Yvette McCoy, Future Perfect, Inc.; and Espanola Jackson, South Bayshore Citizens Advisory Committee.

Ms. McCoy requested the RFQ response period not be extended for more than thirty days because it is unfair to those who have submitted proposals.

Ms. Jackson indicated her support of staff recommendation to extend the RFQ response period by sixty days.

Mr. King noted that his support of staff recommendation because the community needs more time to respond.

Mr. Stern indicated he believed a thirty day extension of the response period is sufficient and it is not fair to those who have put a lot of work into submitting proposals to extend it by sixty days.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KOUBA, AND CARRIED, WITH MS. SCHILLING AND MR. STERN OPPOSING, THAT RESOLUTION NO. 230-93 BE ADOPTED.

- (c) Edmund Ong, Chief, Architecture, introduced item (c), which requests conditional approval of the Preliminary Construction Documents for the Children's Center Buildings on Central Block 3 (CB-3) in Yerba Buena Center. At a workshop on October 5, 1993, Architect Adele Santos presented the Preliminary Construction Documents for the Children's Center Buildings based upon the previously approved design. Approval of the documents is recommended subject to the satisfactory resolution of specific design concerns and issues raised by various committees, which will be addressed by the architect during the next design phase. Of the total established project budget for CB-3 of \$48.2

million, the base Agency construction budget for the buildings is \$17.927 million, plus \$3.316 million for bid alternates for building and gardens items which were separately budgeted at the beginning of the project. Since the Board of Supervisors has now approved a funding source for the entire budget and since the design and cost of the building can now be determined with much greater accuracy, it is recommended \$2.414 million be transferred from the bid alternate category to the base construction budget category. It is anticipated the final construction documents will be completed in May 1994 and construction will start in October 1994.

Mr. Ong responded to questions from Mr. Kouba regarding the proposed transfer of funds.

In response to concern expressed by Mr. Kouba regarding potential vandalism because the carousel is separate from the rest of the facilities and is near the street, Mr. Ong indicated that this will be an enclosed structure and the space will be designed so the carousel becomes a focal point for the entire complex. In the development of the total design for the project when the needs for different elements of the program were considered, early on in the Schematic Design approved by the Commission it was determined that this was the best location for the carousel.

Mr. Helfeld noted that alternatives had been discussed at length before it was concluded this was the best location.

Helen Sause, Project Director, Yerba Buena Center, indicated that the carousel will be in a prominently occupied area because it will be near the main entryway for people visiting the gardens. When an operator is not present, the building will be locked.

Mr. Kouba indicated his concerns regarding the carousel were now alleviated and he was satisfied with its location.

ADOPTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MR. STERM, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 231-93 BE ADOPTED.

- (d) Michael Kaplan, Project Coordinator, Rincon Point-South Beach, introduced item (d), which requests authorization of Exclusive Negotiations, until January 26, 1994, with Prima Coffee Roastery, Inc. for the lease of space within the southern portion of the Pier 38 Bulkhead Building in Rincon Point-South Beach for the development and operation of a cafe and office. Six proposals received to a Request for Proposals (RFP) were narrowed down to three finalists by a Review Panel, two of which withdrew their proposals. Prima, the remaining operator, was found to have the experience, reputation, business term offer and proposed food concept desirable for this waterfront location. The Rincon Point-South Beach Citizens Advisory Committee (CAC) concurs with the Review Panel's recommendation. During the 90 day exclusive negotiations period more detailed plans for the cafe will be developed and the Development Lease terms will be negotiated. The final design and construction period for the project is

estimated at eight months with completion of the cafe scheduled for August 1994.

Mr. Kaplan introduced Norman Pearce, Prima Coffee Roastery, Inc.

In response to an inquiry from Ms. Schilling, Mr. Kaplan noted that there is no parking on Pier 38, however, there is parking on Pier 40 for boaters plus twelve visitor parking spaces. On weekends parking will be difficult, but it should not be a problem during the week. However, it is anticipated the patrons will be boaters, joggers, waterfront pedestrians and residents of the adjacent housing projects.

In response to Ms. Schilling, Mr. Kaplan indicated that the cafe will have a seating capacity for 45-60 persons.

In response to an inquiry from Ms. Ong, Mr. Kaplan described the composition of the Review Panel and explained how the panelists were selected.

Ms. Ong noted her concern that one entity is being recommended when this is supposedly a competitive bidding process and Mr. Kaplan indicated that this had occurred because two of the three finalists had withdrawn their proposals. If staff recommendation is not accepted then the process would have to be started over again.

ADOPTION: IT WAS MOVED BY MS. SCHILLING, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 232-93 BE ADOPTED.

REPORT OF THE PRESIDENT

- (a) Acting President Ong noted that the Yerba Buena Gardens opening had been a tremendous success.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The appointment of Manuel Rosales to the Redevelopment Agency Commission was approved on October 19, 1993 by the Rules Committee of the Board of Supervisors. His appointment will go before the full Board on October 25, with a swearing-in expected shortly thereafter.
- (b) It has been suggested that a Regular Agency Meeting not be held on November 2, 1993, election day, and that a Special Meeting be held on November 3 to consider the selection of a developer for the Central Block (CB-2) Entertainment/Retail site.

Ms. Schilling inquired why the CB-2 item could not be calendared for the October 26 meeting and Mr. Helfeld indicated that one of the development teams needs more time to provide additional

material. In addition, a principal of the Madison development team is not available on that date.

It was the consensus of the Commissioners that a Special Meeting be held on November 3, 1993, at 4:00 p.m., to consider the selection of a developer for CB-2.

In response to an inquiry from Ms. Ong, Mr. Helfeld indicated that Commissioner elect Rosales will be provided with appropriate documentation and fully briefed on the CB-2 issue.

- (c) Payment of \$700,000 for off-site housing in-lieu of complying with the Agency's 40 percent on-site affordable housing requirement has been received from Ou Interests, Inc. in connection with the Post International project.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from Ms. Schilling, Mr. Helfeld indicated that there has been an increasing interest by developers in East Block 2-C in Yerba Buena Center. A decision by the San Francisco Museum of Modern Art regarding the availability of the Jessie Street Substation site for the Jewish Museum is not expected to be made until December 22.
- (b) In response to an inquiry from Ms. Schilling, Mr. Helfeld indicated that work on the interior of the Williams Building has commenced, however, the overall permit for demolition has not yet been issued by the Bureau of Building Inspection.
- (c) In response to an inquiry from Ms. Ong in connection with the Executive Director search, Mr. Kouba indicated that the position is being advertised in the San Francisco Chronicle and Examiner and the Wall Street Journal.

Ms. Ong indicated she would like the position advertised in the San Francisco Independent.

James Nybakken, Administrative Services Officer, indicated that most of the search is being done by direct marketing by the consultant to recruit suitable individuals. He noted that Mr. Kitahata has had a full update from the consultant and had intended to make a report to the Commission today.

Ms. Ong inquired regarding outreach to the Asian community and Mr. Stern indicated the consultant has been requested to contact Asian, Inc. so they can participate in the recruitment process.

- (d) Mr. Kouba noted his regrets that he had been unable to join staff at a breakfast celebrating the opening of Yerba Buena Gardens hosted by Mr. Helfeld and Helen Sause, Project Director, Yerba Buena Center. Mr. Helfeld indicated the Commissioners would be provided with a copy of a resolution presented to Ms. Sause at the breakfast.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY
RELATED MATTERS

- (a) Espanola Jackson, South Bayshore Citizens Advisory Committee, noted her concern that at the October 5, 1993 meeting a Land Disposition Agreement had been authorized for a housing development on Parcel HH-1 in Hunters Point because the community has long been promised a mixed-use project.

Mr. King indicated that there are ongoing efforts to secure commercial development in the area and these efforts will continue.

COMMISSIONERS' QUESTIONS AND MATTERS (Continued)

- (e) Ms. Ong requested a status report on what the Agency is doing to address the City's homeless problem, which Mr. Helfeld indicated would be calendared for the October 26, 1993 meeting.

Acting President Ong announced that there would be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

San Francisco Naval Shipyards with the United States Navy; and

block bounded by Steuart, Spear and Folsom Streets in Rincon Point-South Beach with the GAP.

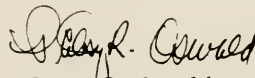
There will also be a Closed Session pursuant to Government Code Section 54957.6 to instruct the Agency's designated representative to negotiate with Local 790 and Local 21.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Ms. Schilling, seconded by Mr. King, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations, Negotiations with Local 790 and Local 21 and Personnel. The meeting adjourned at 5:05 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

December 7, 1993

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
26TH DAY OF OCTOBER, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:20 o'clock p.m. on the 26th day of October, 1993, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Leroy King
Leslie T. Schilling
Clarence R. Stern

and the following were absent:

Gary Kitahata (Arrived 4:25 p.m.)
Jon Henry Kouba

The Acting President declared that a quorum was present.

Gene E. Suttle, Acting Executive Director, and staff members were also present.

Also present were: Geraldine Johnson, Martin Luther King, Jr. Civic Committee; and Ocie Rogers.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Schilling, and unanimously carried that the Regular Minutes of September 7, 14 and 21, 1993, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS - CONSENT AGENDA

At the request of Ms. Ong and Mr. King, item (c) was removed from the Consent Agenda and considered as a Regular Agenda item.

THE ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE VOTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Rescinding from the approved budget for Furnishings, Fixtures and Equipment (FF&E) for the Cultural Buildings the prior Center for the Arts FF&E purchases authorization for stacking and other miscellaneous chairs and associated hardware from MG West and authorizing purchase of same from Rucker-Fuller; Yerba Buena Center.

- (b) Authorizing payment of premiums to Rollins Hudig Hall in an estimated amount of \$48,605 for renewal of South Beach Harbor insurance coverage.
- (d) Authorizing a Second Amendment to the Agreement for the Sale and Purchase of Real Property, which increases the purchase price by \$86,000 with Goodwill Industries of San Francisco, San Mateo and Marin Counties, Inc., for the purchase of property located at 473-491 Natoma Street and 980 Howard Street; South of Market.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) THROUGH (d), RESOLUTION NUMBERS 233-93 THROUGH AND INCLUDING 236-93, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) James Nybakken, Administrative Services Officer, introduced item (c), which requests authorization to submit a Supplemental Budget Request to the Board of Supervisors for the continuation of two architectural positions. Two architectural positions were included in the Agency's 1993-94 budget for half a year only on the assumption that with the completion of Central Block 2 (CB-2) in Yerba Buena Gardens, the services of the two architects would no longer be required because it appeared there would be a delay in the development of Central Block 3 (CB-3). Recently, the Board of Supervisors conceptually approved bond financing for the development of the Children's Center on CB-3 resulting in the necessity arising to continue these two architectural positions through the end of the fiscal year. The amount of the supplemental request would be \$79,936 including the full cost of salaries and fringe benefits.

Mr. Kitahata arrived at this time, 4:25 p.m.

In response to an inquiry from Ms. Ong, Mr. Nybakken indicated that conditional layoff notices had been issued as a means of satisfying the Local 21 Memorandum of Agreement to give as much notice as possible and the notices will be rescinded immediately after approval by the Board of Supervisors of the supplemental budget request.

ADOPTION: IT WAS MOVED BY MS. SCHILLING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 235-93 BE ADOPTED.

Byron Rhett, Project Coordinator, Hunters Point Shipyard, gave a status report on negotiations for the Shipyard. He noted that the Navy is presently considering a draft Memorandum of Understanding and and it is hoped to bring a document to the Commission in the near future that states the position on the transfer of Parcel "A" to the City and the management by the City of the remaining four parcels that would continue under Navy ownership.

- (e) Alan Loving, Senior Planner, introduced item (e), which requests authorization of a Personal Services contract for environmental

planning (EIR) with Jefferson EIP Joint Association in an amount not to exceed \$750,000 in connection with the Hunters Point Shipyard.

- (f) Alan Loving, Senior Planner, introduced item (f), which requests authorization of a Personal Services Contract for transportation planning with Korve Engineering in an amount not to exceed \$275,000 in connection with the Hunters Point Shipyard.
- (g) Alan Loving, Senior Planner, introduced item (g), which requests authorization of a Personal Services Contract for real estate economics with Williams Kuebelbeck and Associates in an amount not to exceed \$175,000 in connection with the Hunters Point Shipyard.
- (h) Alan Loving, Senior Planner, introduced item (h), which requests authorization of a Personal Services Contract for planning communications with Simon Martin-Vegue Winkelstein Moris in an amount not to exceed \$200,000 in connection with the Hunters Point Shipyard.

The Agency has been designated by the Mayor's Office as the lead agency in planning the reuse of the Shipyard. A Task Force has been organized consisting of representatives from the Agency, the Department of City Planning, the Port of San Francisco, the City Attorney's Office and the Citizens Advisory Committee. The Task Force is responsible for the development of a Conceptual Master Plan for the entire Shipyard and a Specific Development Plan for Parcel "A". These plans will require environmental documentation and will stimulate the need for an amendment to the City's Master Plan and Zoning Code and the establishment of a Redevelopment Project Area. It is anticipated the land use planning process and the environmental review for the Shipyard will be completed by March 1996. Due to the complexity of this large project, the Task Force proposes to retain consultants for specific tasks. Staff has negotiated personal services contracts with four consultants to assist in the completion of land use planning for the Shipyard. Negotiations and the contract budget were based on the scope of work tasks to be completed by each consultant firm over the course of the project. The Commissioners have been provided with complete affirmative action workforce breakdowns of the selected consultants.

Mr. Loving introduced representatives of the consultant firms.

Ms. Schilling inquired regarding planning communications and Mr. Loving indicated that, since this is a very complex project, it is felt there is a need to be able to present the many alternatives graphically that are going to have to be explained to the public.

In response to an inquiry from Mr. King, Mr. Loving indicated that the contracts contain termination provisions in the event the project does not go forward.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT ITEM (e), RESOLUTION NO. 237-93, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT ITEM (f), RESOLUTION NO. 238-93, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT ITEM (g), RESOLUTION NO. 239-93, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. SCHILLING, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM (h), RESOLUTION NO. 240-93, BE ADOPTED.

- (i) Lucia Mele, Development Specialist, introduced item (i), which requests authorization of a Program Agreement with WestAmerica Bank for the Agency's Guaranteed Loan Program, known as the Small Business Recovery Program, for the South of Market and Western Addition A-2 Project Areas. Subsequent to an allocation of \$250,000 in January 1992 for the Small Business Recovery Fund in the South of Market, the Agency entered into a Program Agreement with Wells Fargo Bank. An additional \$100,000 was allocated in fiscal year 1992-93 and in December 1992 a Program Agreement was authorized with the Bank of America Community Development Bank. In August 1993, an additional \$250,000 was authorized to include loans to small business in the Western Addition Project Area. It is now proposed to enter into a Program Agreement with WestAmerica Bank, which will require no additional expenditure since there are no costs involved with increasing the number of participating banks. Since inception of the Small Business Recovery Fund, which provides guarantees of up to 90 percent for loans made by private lenders, six loans have closed for a total of \$208,700 and specific information regarding those loans has been provided to the Commission.

Ms. Mele described the Guaranteed Loan Program process and responded to questions from the Commissioners.

Mr. Kitahata noted his support of this item and indicated that when the program started the idea was to get as many banks as possible to participate to diversify the pool of originators.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 241-93 BE ADOPTED.

REPORT OF THE PRESIDENT

Acting President Ong reported to the Commissioners on the following matters:

- (a) Ms. Ong noted that she had attended a meeting at the Board of Chambers Chambers on October 23 regarding the new Sunshine laws.

- (b) Ms. Ong reported that on October 23, she had attended a meeting convened by the Mayor of Commission Presidents and Department Heads. It was an initial meeting to seek cooperation and coordination between all the City agencies and is the first of continuing meetings.
- (c) The Commissioners have been provided with an agenda and a list of City Departments invited to a meeting held on October 26, which was convened based upon instructions from Mayor Jordan to begin a series of coordinating meetings related to economic development. Each department presented what was on its "front burner" in economic development. The next meeting is scheduled for December 1 and Kent Sims, Deputy Executive Director, Economic Policy, will be assisting in scheduling these meetings and preparing agendas.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Gene Suttle reported to the Commissioners on the following matters:

- (a) Manuel Rosales will be sworn-in as a Commissioner of the Redevelopment Agency on November 2 at 3:30 p.m.
- (b) With regard to a workshop requested by Ms. Ong on actions the Agency has taken with regard to the homeless program, Eleanor Jacobs, the Mayor's Homeless Coordinator, is not available until November 23 and a workshop will be scheduled for that date.

Ms. Ong requested that Ted Dientsfrey, Director, Mayor's Office of Housing and persons who attended the March 9, 1993 workshop on this subject be invited.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from Ms. Schilling, Mr. Suttle gave a status report on the Williams Building located at 693 Mission Street. He noted that the Commissioners have been provided with an informational memorandum on discussions with the Federal Management Management Agency (FEMA) regarding funding to repair the building and on progress towards demolition of the building.
- (b) In response to an inquiry from Ms. Schilling regarding the the feasibility of building a fourth level on top of the Marriott ballroom as proposed a potential developer of the Central Block 2 (CB-2) Entertainment/Retail site, Mr. Suttle indicated that a report would be provided to the Commissioners.
- (c) In response to an inquiry from Mr. Kitahata, Mr. Suttle indicated that steps are being taken to remedy the wet and slippery condition of the Martin Luther King, Jr. Memorial waterfall.
- (e) Mr. Kitahata gave a status report on the executive director search.

Commissioners Ong and Stern indicated that the closing date deadline for applications needs to be consistent and should be extended to November 5, 1993 for all candidates.

Ms. Ong noted her concern that only 28 resumes have been received after advertising for three weeks and Mr. Kitahata indicated that it is too early in the process to be concerned about numbers.

An extensive discussion ensued among the Commissioners regarding the selection process in general. The items discussed included the possibility of hiring outside consultants to assist with interviews, pre-screening, and the number of candidates it would be appropriate for the entire Commission to interview.

Mr. Suttle requested that further discussion on the executive director search be postponed until agenda item 9 has been heard.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Geraldine Johnson thanked Mr. Kitahata for raising the concern about the Martin Luther King, Jr. Memorial because there is the possibility of somebody being injured. She noted that people entering the memorial from both sides causes congestion and suggested the installation of signs indicating exit and entrance to rectify this problem. She further indicated that she hoped building a fourth floor on the Central Block 2 entertainment center in Yerba Buena Gardens would not block out the sun or the sky and that she plans to request the Board of Supervisors to limit the height in that particular area.

On behalf of the Martin Luther King, Jr. Civic Committee, Ms. Johnson requested, under the Public Records Act, that various statistics be provided related to the Yerba Buena Gardens' opening week. She further requested that \$6,800 be returned to the Committee expended on a consultant in connection with the Martin Luther King, Jr. Memorial dedication.

David Madway, Agency General Counsel, noted that existing documents can be requested under the Public Records Act, however, the Agency is not required as a matter of law to prepare or create any documents.

Ms. Ong requested that Ms. Johnson submit her requests in writing.

COMMISSIONERS' QUESTIONS AND MATTERS (Continued)

- (e) Following further extensive discussion, it was the consensus of the Commissioners that consideration of the Executive Director Search Process be calendared as a discussion item at the Special Meeting scheduled for November 3, 1993.

Acting President Ong announced that there would be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the

Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

San Francisco Naval Shipyard with the United States Navy; and

the block bounded by Steuart, Spear and Folsom Streets in Rincon Point-South Beach with the GAP.

There will also a Closed Session pursuant to Government Code Section 54957.6 to instructed the Agency's designated representative to negotiate with Local 790 and Local 21.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

There is an additional Closed Session item which arose subsequent to posting of the agenda on Friday, October 22, 1993. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

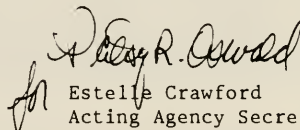
MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KITAHATA , AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS ITEM AROSE AFTER POSTING OF THE AGENDA ON OCTOBER 22, 1993.

This item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located in the block bounded by Market, Mission and 10th and 11th Streets and the entity the Agency may negotiate with is Bank of America, NT & SA.

ADJOURNMENT

It was moved by Ms. Schilling, seconded by Mr. King, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations, Negotiations with Local 790 and Local 21 and Personnel. The meeting adjourned at 5:55 p.m.

Respectfully submitted,


Estelle Crawford
Acting Agency Secretary

APPROVED

December 7, 1993

JAN 21 1994

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MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
3RD DAY OF NOVEMBER, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a Special Meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 3rd day of November, 1993, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Leroy King
Gary Kitahata
Jon Henry Kouba
Manuel A. Rosales
Leslie T. Schilling
Clarence R. Stern

and the following were absent:

None

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Philip Ahrens, Millennium Partners, Inc; Chuck and Paula Collins, WDG Ventures, Inc.; Al Williams and Jim Bennett, Yerba Buena Entertainment Partnership (Madison); William Denton, AMC Theaters; Sue Hestor, Friends of Yerba Buena Gardens; Corey Tong; Paul Bertes; Sylvia Mestayer; Jane Kinzler, TODCO; Janet Long; Kathy Fong, Human Rights Commission; Robert Hillman, Film Commission (appearing as an individual); Marvin Lambert, Western Addition Neighborhood Association (WANA); Anthony Manning, Director, Circa, Cine Film Society; Michael Smith, American Indian Film Institute; David Ish, New Fillmore Newspaper; Charles Ward; Essie Collins, Mayor's Economic Task Force; Sandy Mori, Kimochi, Inc.; William Williams; Elliot Grimshaw; Geraldine Johnson; N. Klasky; Willie Bell McDowell, WHGS Youth Foundation; Espanola Jackson, District 7 Democratic Club; Naomi Gray, Institute for Urban Affairs; and Clay Brown, Ralph Anderson & Associates.

Representing the press were: Gerald Adams, San Francisco Examiner; David Ish, New Fillmore Newspaper; and John King, San Francisco Chronicle.

NEW BUSINESS

Acting President Ong indicated that item (ii) would now be taken-up.

- (ii) Mr. Helfeld introduced item (ii), which requests authorization of a Letter Agreement in an amount of \$322,310 with the Department of City Planning for Master Planning and

Environmental Review Services in connection with the Hunters Point Shipyard. The Agency is responsible for the coordination of the reuse of the Hunters Point Shipyard and an integral part of this effort is land use planning and environmental review, which it is anticipated will take 30 months to complete. City Planning, as the Department responsible for the master planning and environmental review of all major land use activities within the City and County of San Francisco, is requesting budgetary support for this effort. This support will allow the Department to assign sufficient staff to complete the land use planning effort and environmental review in accordance with the work program developed for this project. The Land Use Task Force organized to undertake the land use planning efforts for the Shipyard will oversee this effort to ensure an efficient and comprehensive land use planning process. The Task Force consists of representatives from the Agency, City Planning, the Port of San Francisco, the City Attorney's Office and the Hunters Point Shipyard Citizens Advisory Committee. Due to the complexity of the project, the Task Force proposed to engage consultants with expertise in environmental planning, real estate economics, transportation and planning/architectural graphics. The Agency Commission awarded professional services to the four consultants on October 26, 1993 and work is underway. The Letter Agreement specifies that City Planning will provide land use planning, environmental review and urban design services to the Agency in accordance with the work program for the project. It further specifies that a portion of five professional planning positions will be supported with Agency funding not to exceed \$322,310.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 243-93 BE ADOPTED.

- (i) Mr. Helfeld introduced item (i), which requests authorization of Exclusive Negotiations, until May 4, 1994, with a joint venture comprised of Millennium Partners, Inc. and WDG Ventures, Inc. for the Lease and Development of Central Block 2 (CB-2) Entertainment/Retail Site in Yerba Buena Gardens in Yerba Buena Center. Following thorough evaluation of the two proposals submitted, staff is recommending the selection of Millennium/WDG Partners for exclusive negotiations based upon: demonstrated ability of the development team to attract equity and debt for the project; the ground lease terms proposed; particular elements of the development program proposed; and the level of local minority developer participation. During the exclusive negotiations period an architect will be selected, basic concept drawings prepared; the ground lease and development agreement negotiated setting forth the responsibilities of the Agency and the developer and a performance schedule; and the developer will be required to obtain lease commitments from the major development users, including a cinema operator. The Agency was fortunate to receive two responsive proposals and the Commissioners have been provided with a detailed comparison of all aspects of both proposals.

Mr. Helfeld provided background information and reviewed the basis for staff recommendation. He noted that late on November 1st staff received a letter from Ms. Arlene Simon of Landmark West, a Manhattan neighborhood group, containing a series of allegations against Millennium Partners and personally against Philip Ahrens and Christopher Jeffries, two of the principals of Millennium, and staff is puzzled by the receipt of this material so late in the selection process. Staff has been aware of Ms. Simon's general opposition to Lincoln Square since Millennium submitted a New York Times article to staff last year which described the project and mentioned Ms. Simon. It reflected general opposition to large, urban development and it was not believed relevant to staff recommendation for development in San Francisco. As part of the Agency's obligation to conduct due diligence with respect to a developer recommendation, staff asked Millennium late November 1st to review the letter and the Commissioners have been provided with their response. Based upon extensive discussions with Millennium and unrelated third parties, as well as independent inquiries by staff and review of other information, it is believed the allegations have no relevance with respect to staff recommendation to the Commission and that the allegations should have no material bearing on the Commission's decision.

In response to an inquiry from Mr. Kouba, Mr. Helfeld named the staff members on the Selection Panel.

Mr. Rosales indicated he wanted to be sure the two proposals were reviewed on merit and facts. Mr. Helfeld indicated that important elements were that Millennium was able to secure financing in the current real estate market, the ground lease terms were more favorable and minority participation was stronger in the Millennium proposal.

In response to an inquiry from Mr. Rosales, Mr. Helfeld indicated that both teams had agreed to comply with the Agency's affirmative action program, however, Millennium has an African American partner, whereas Madison has an African American project manager.

Philip Ahrens, Millennium, noted his concern at the last minute attack on Millennium's qualifications and that the allegations, which are totally false, should have no impact on their proposal.

Paula Collins, WDG Ventures, Inc., made a presentation on the merits of Millennium/WDG proposal.

Mr. Ahrens responded to questions from the Commissioners regarding equity sources, which are 100 percent foreign, and other aspects of Millennium's proposal.

In response to an inquiry from Ms. Ong, Mr. Ahrens indicated that it is believed the concerns of the Yerba Buena Consortium have been satisfactorily addressed and a small park for seniors

has been designed at Fourth and Howard Streets. In addition, there will be discounts for seniors at stores and passes will be available for events.

Al Williams, Jim Bennett, Madison, and William Denton, AMC, highlighted the differences between the two proposals and requested that exclusive negotiations with Millennium not be approved because of the unfairness of staff analysis. The development team responded to questions from the Commissioners regarding all aspects of Madison's proposal.

Mr. Williams indicated that the letter from Landmark West, New York, could have been a result of contact he had with Ms. Simon, however, it was not elicited or suggested by Madison and he had merely been asked to whom to write.

In response to an inquiry from Mr. Rosales, Mr. Helfeld indicated that changes from the original proposals of both teams had been accepted without a time limit being set, however, there were ground rules and only changes to the basic proposals were permitted.

The following persons spoke in support of the Madison proposal: Corey Tong and Paul Bertes, NAATA; Marvin Lambert, Western Addition Neighborhood Association (WANA); Anthony Manning, Director, Circa, Cine Film Society; Michael Smith, American Indian Film Institute; David Ish, New Fillmore Newspaper; Sandy Mori, Kimochi, Inc.; and Elliott Grimshaw.

A number of the speakers noted their support of AMC because of their proven commitment to the community and the need to further investigate the Landmark West, New York, allegations.

The following persons spoke in support of the Millennium proposal: Sylvia Mestayer; Jane Kinzler, TODCO; Janet Long; Kathy Fong, Human Rights Commission; Charles Ward; Essie Collins, Mayor's Economic Task Force; and William Williams.

Ms. Kinzler read a statement into the record supporting the Millennium proposal because of the developer's acceptance of the need for a small garden for use by elderly/disabled residents within Yerba Buena Gardens at Fourth and Howard Streets.

Sue Hestor, Friends of the Yerba Buena Gardens, requested a decision be postponed until she can submit her concerns regarding Millennium in writing.

Robert Hillman, Film Commission, appearing as an individual, indicated he did not support one group or another, however, he did not believe sufficient preparatory work had taken place and both groups need to agree to a number of items.

In response to an inquiry from Ms. Ong, Mr. Hillman indicated that he had provided written material on negotiating terms and he would re-submit it if a decision is not made tonight.

Geraldine Johnson indicated she is pleased to hear AMC has carried out its commitment to the community. She noted that with regard to Parcel 732 in the Western Addition, WDG Ventures has not kept its promises to help the community and that the allegations against the Millennium group should be further investigated.

Acting President Ong announced that there would be a brief recess. The meeting recessed at 6:35 p.m. and reconvened at 6:40 p.m. with the same roll call.

Following an extensive discussion between the Commissioners, the development teams and staff, the following motion was made:

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. ROSALES THAT RESOLUTION NO. 242-93 BE ADOPTED AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. King
Mr. Kitahata
Mr. Kouba
Mr. Rosales
Ms. Schilling
Mr. Stern
Ms. Ong

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE ACTING PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

Mr. Stern indicated that, although he had voted to approve this item, it was his opinion that people like Mr. Williams should be promoted and given an opportunity to get established.

Acting President Ong announced that there would be a brief recess. The meeting recessed at 8:20 p.m. and reconvened at 8:25 p.m. with the same roll call.

(iii) James Nybakken, Administrative Services Officer, introduced item (iii), the purpose of which is for consideration of Executive Director Search Process.

Clay Brown, Ralph Anderson & Associates, gave a status report on the Executive Director search. He noted that 70 resumes had

Minutes of a Special Meeting, November 3, 1993

been received by 5:00 p.m. on November 2, which have been briefly reviewed. The resumes have not been evaluated, however, 25 to 30 appear to be from well qualified candidates.

Mr. Brown responded to questions from Ms. Ong regarding the advertising process, which started in October. He noted that a closing date was given of November 1, however, because of the NAHRO publication date, this was changed to November 5.

In response to inquiries from Mr. Rosales, Mr. Brown indicated that a work plan of four phases was prepared and that a "head hunting" process is being followed as well as advertising.

Mr. Rosales noted his concern that minority candidates would not apply because of stated educational requirements and he would like to see related work experience taken into account in lieu of academic qualifications.

Mr. Rosales noted that the second phase of the search is not yet completed and inquired whether it would be acceptable to change the procedures of the selection process. Mr. Brown indicated affirmatively.

Mr. Brown suggested the next step be for him to review the resumes to determine which applicants should be interviewed.

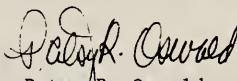
Following further discussion, it was the consensus of the Commissioners that the consultant return with recommendations to the Commission at a Special Closed Session meeting on Personnel to be scheduled in the near future.

Acting President Ong announced that there would be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned to a Closed Session on Personnel. The meeting adjourned at 9:05 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

January 11, 1994

JAN 21 1994

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
9TH DAY OF NOVEMBER, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 9th day of November, 1993, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Leroy King
Jon Henry Kouba
Manuel A. Rosales
Clarence R. Stern

and the following were absent:

Gary Kitahata (Arrived 4:50 p.m.)
Leslie T. Schilling (Arrived 4:25 p.m.)

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Alice Alcott, Mayor's Office of Housing; Richard Skaff, President, Bay Area Association of Disabled Sailors (BAADS); Lawrence Kornfield, BAADS; Ed Mackin, San Francisco Labor Council and South Beach Yacht Club; Henrik Hartz and Richard De Marco, BAADS; Rick Mariano, Chairman, Rincon Point-South Beach Citizens Advisory Committee; Dan Sullivan, Tom Karnes and Tom Fowle, BAADS; Martin Fay, South Beach Marina Apartments; Kathy Pugh; John Greener, BAADS; Adam Barnes, Blue Water Foundation; John Greener, June Taylor and Don Mason, BAADS; and Richard Quesada, San Francisco Police Department/San Francisco Middle School Law Enforcement Program.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

Ms. Ong made a correction to the October 5, 1993 minutes regarding a proposal to develop the site adjacent to the Bush Street Synagogue in the Western Addition, which was duly noted.

It was moved by Mr. King, seconded by Mr. Kouba, and carried, with Mr. Rosales abstaining, that the minutes of the Regular Meetings of September 28 and October 5, 1993, as amended, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS - CONSENT AGENDA

THE ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Approval of a First Amendment to the Agreement for professional services, which increases the amount by \$12,850 payable thereunder with Orion Environmental Associates, in connection with the preparation of a supplemental Environmental Impact Report for the parking facility for the San Francisco General Hospital.
- (b) Authorizing a Fifth Amendment to the Agreement for professional services, which increases the amount by \$23,400 payable thereunder, with Environmental Science Associates, Inc. in connection with the preparation of an addendum to the subsequent Environmental Impact Report; Yerba Buena Center.
- (c) Authorization to off-set rent owed by Western Commercial Partnership II (WCP II) in the amount of \$68,025 in exchange for free office space for five years, in the building owned by Western Commercial Partnership II located at 1426 Fillmore Street to operate a small business incubator; Western Addition A-2.

ADOPTION: IT WAS MOVED BY Mr. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a), (b) AND (c), RESOLUTION NUMBERS 244-93, 245-93 AND 246-93, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (d) Helen Sause, Project Director, Yerba Buena Center, introduced item (d), which requests approval of the First Annual Operating Budget in an amount of \$1.5 million for the period September 1, 1993 - June 30, 1994, for the Management, Security, Operations and Maintenance of Yerba Buena Gardens in Yerba Buena Center. In September 1993, the Agency entered into a three year contract with KTB Realty, Inc. (KTB) to manage, secure, maintain and operate the Gardens and the proposed budget will provide funds to reimburse KTB for their costs and management fee in the performance of the contract. The budget begins on September 1, 1993 and KTB has been operating on a working capital advance of \$100,000 until approval of the first operating budget. The first year operating budget is unlike future budgets in that there is little experience upon which to estimate costs and some costs will be phased in as the contractor completes work items and subcontractor responsibilities phase out. The Commissioners have been provided with a breakdown of the \$1.5 million. Of the total budget \$657,200 or 45 percent is for contract services of which 87 percent of those services are subcontracted with M/WBE firms. KTB will be reimbursed for their actual expenses on a monthly basis upon submission of appropriate support material requested by the Agency. The annual management fee of \$54,000 will be paid at a monthly rate of \$4,500.

Ms. Sause responded to questions from Mr. Rosales regarding the contractor selection process.

In response to an inquiry from Mr. Stern, Ms. Sause indicated that KTB is working with Cal State Patrol and if one security service does not work out, another will be selected. She indicated that a memorandum will be provided to the Commissioners regarding security procedures.

Mr. Kouba requested a copy of the memorandum be sent to Mayor Jordan because he is very interested in high security for the gardens.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 247-93 BE ADOPTED.

- (e) Alice Alcott, Mayor's Office of Housing, introduced item (e), which requests authorization of a \$884,000 loan to 480 Valencia Associates for the construction of fifty-nine units of rental housing at 440 Valencia Street as part of the Citywide Tax Increment Housing Program. Upon commencing construction in January 1993, lead contamination of the soil was discovered, despite the fact that two previously performed environmental reports for the site did not find evidence of lead or recommended further testing. Following investigation by the Developer's legal counsel, in conjunction with the City Attorney's Office, on the advisability of bringing suit against either the site's previous owners or the environmental consultants for damages, it has been determined that the likelihood of obtaining a judgement against either of the parties is small and the costs involved in bringing a suit would probably exceed the damages collected. The Developer therefore does not intend to file a suit. The requested funding, which has been approved by the Citywide Housing Loan Committee, is needed to cover the additional costs incurred due to lead contamination, which had added \$945,000 to the original project budget of \$11.4 million. \$884,000 is being requested to cover these costs, with the \$61,000 balance to be paid from Developer funds and the loan will be partly repaid from permanent loan proceeds and developer funds. Even with the proposed increase in Agency funds, the local subsidy of approximately \$2.5 million amounts to only 20 percent of the total development budget.

Ms. Schilling arrived at this time, 4:25 p.m., during Ms. Alcott's presentation.

ADOPTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 248-93 BE ADOPTED.

Acting President Ong indicated that item (g) would now be taken up.

- (g) Michael Kaplan, Project Coordinator, Rincon Point-South Beach, introduced item (g), which requests authorization to establish a Policy for waiving full berthing fees for vacant berths for non-profit organizations at the South Beach Harbor in Rincon Point-South Beach. The proposed policy would waive berthing fees

for up to seven presently vacant berths in the Harbor for use by non-profit sailing program organizations, which will provide boating opportunities for non-profit community sailing groups. It is a valuable public service which currently will have insignificant adverse effects on harbor revenues. The establishment of such a policy was recommended by the Rincon Point-South Beach Citizens Advisory Committee (CAC) and the CAC concurs with staff recommendation. The Commissioners have been provided with the proposed implementation plan for the policy. It has been determined by Agency legal counsel that the Harbor Bond and Cal Boating Loan Documents and California Redevelopment Law do not prohibit the Agency from waiving berthing fees. Although the the Agency does have a fiduciary obligation to its bondholders to operate the harbor in accordance with sound business practices, the financial loss in waiving berth fees at this time is minimal. Research by staff revealed that generally other Bay Area marinas do not provide free berthing, however, it is believed the Agency should have a policy for waiving full berthing fees for non-profit organizations because of the social benefit provide to a specialized client population, such as disabled sailors and socially or economically disadvantaged youth. When the Harbor reaches 98 percent occupancy the policy on waiving full berth fees shall terminate and participate non-profit groups will be notified they have an option to surrender the berth or pay full berthing fees. The Commission will have an opportunity to consider an extension of the policy at that time if its bond and loan obligations would not be adversely affected.

In response to an inquiry from Mr. Rosales regarding liability, Mr. Kaplan indicated that the Harbor is adequately covered by insurance.

Mr. Rosales indicated that if this proves to be a worthwhile program, consideration could be given to setting aside a specific number of berths permanently.

In response to an inquiry from Ms. Ong, Mr. Kaplan indicated that since the non-profits are being requested to provide quarterly reports and there will be oversight by the Harbor Master, staff time required will be minimal.

Mr. Kitahata arrived at this time, 4:50 p.m.

The following persons spoke regarding item (g): Richard Skaff, President, Bay Area Association of Disabled Sailors (BAADS); Lawrence Kornfield, BAADS; Ed Mackin, San Francisco Labor Council and South Beach Yacht Club; Henrik Hartz and Richard De Marco, BAADS; Rick Mariano, Chairman, Rincon Point-South Beach Citizens Advisory Committee; Dan Sullivan, Tom Karnes and Tom Fowle, BAADS; Martin Fay, South Beach Marina Apartments; Kathy Pugh; John Greener, BAADS; Adam Barnes, Blue Water Foundation; and Richard Quesada, San Francisco Police Department/San Francisco Middle School Law Enforcement Program.

Mr. Skaff gave background information on BAADS and expressed appreciation to Mr. Kaplan for his assistance and cooperation.

The speakers noted their concerns regarding: the possibility of having to move out of the berths in a few years, which makes fundraising for the program difficult; that quarterly reports would be difficult to provide because this is a volunteer organization and it would be preferred if reports could be submitted on a less frequent basis; and that the policy addresses BAADS, but not other organizations.

A number of speakers noted their support of BAADS because it provides a unique local program in which disabled persons can participate and assists disadvantaged youth.

Mr. Mariano noted that the CAC would like to formalize BAADS' occupancy at the South Beach Harbor, which is the only harbor in the Bay Area accessible to disabled persons. The CAC recommends that interested non-profits be given an opportunity, but that BAADS be given special consideration because of their successes and the fact that the South Beach Harbor is particularly well suited to their needs.

Commissioners Ong and Stern indicated that they believed annual reports from non-profits would suffice and the Harbor Master, who has oversight, can report quarterly.

In response to an inquiry from Mr. Kitahata, Mr. Helfeld indicated that the Port would not accept the Harbor if it carries liability.

Following a discussion between the Commissioners and Mr. Kaplan regarding granting permanent berthing and reporting requirements, it was the consensus of the Commission that staff return with a modified policy in two weeks.

RULE OF THE CHAIR: ACTING PRESIDENT ONG INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (g), RESOLUTION NO. 250-93, WOULD BE CONTINUED TO THE MEETING OF NOVEMBER 23, 1993. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (f) Mr. Helfeld introduced item (f), which requests approval of the Final Draft of the Strategic Plan's Executive Summary. The Final Draft, known as Working Paper #6, incorporates comments from the Strategic Plan Steering Committee and individual Commissioners. Work is proceeding on the organization and staffing plan and it is anticipated that preliminary findings and recommendations will be available for review by the Commission within the next several weeks. The contents of the Final Draft cover: lessons learned from past redevelopment; paradigm for San Francisco government; Mission Statement; Agency development roles; completing existing Redevelopment projects; marshalling public and private sector resources; addressing immediate development opportunities; converting San Francisco's military bases; community-based planning for neighborhood revitalization; and improving Citywide

communications and coordination. The Agency's strategic planning process and Strategic Plan both emphasize focusing on the Agency's future mission and development roles while learning from the Agency's past successes and failures. The process of examining opportunities and issues facing the Agency and the City of San Francisco helped identify areas and ways in which future economic development will be different from traditional redevelopment of the past forty-five years. The process of reviewing "lessons learned" from past redevelopment will help ensure that the Agency builds on its successes and avoids repeating its failures. The Strategic Plan lays the foundation for five overriding goals for future development and redevelopment in San Francisco by: providing the City with a "one-stop" shopping capacity to support economic development to the benefit of San Francisco's residents, businesses and tourists; improving the Agency's "customer service" to for-profit and non-profit developers as well as City departments; enhancing community-based planning and programming of neighborhood revitalization and preservation efforts; enhancing communications and coordination within the Agency and City departments; and strengthening management responsibility and accountability for Agency performance. Agency projects and programs will change significantly over the next ten to fifteen years and it is hoped that the Strategic Plan will provide the continuity needed to ensure successful development and redevelopment in San Francisco for years to come.

Mr. Kitahata indicated that the name San Francisco Development appears on the front cover of the Final Draft and there is a need to explain how the Strategic Planning Committee arrived at this recommendation and to take official action on the name change. He noted that, as suggested by Mr. King, a workshop on this subject should be scheduled in the near future.

In response to an inquiry from Ms. Ong, David Madway, Agency General counsel, noted that the Commissioners had been provided with a memorandum indicating that an unofficial name change can be accomplished by changing the By-laws or by action by the Board of Supervisors, which would require an extensive notification process.

Mr. Kitahata indicated that he would prefer the name change made by changing the By-Laws, however, a workshop needs to be held to determine if there is public support and, if not, the front cover can be changed.

MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT WORKING PAPER #6 BE SENT OUT TO THE PUBLIC AS A DRAFT AND THAT A WORKSHOP ON THE NAME CHANGE BE SCHEDULED FOR NOVEMBER 23, 1993.

Mr. Helfeld indicated that notification of the workshop would be sent out immediately.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 249-93 BE ADOPTED.

- (h) Jack Robertson, Acting Chief of Housing, introduced item (h), the purpose of which is for a presentation by Project Sentinel on its fair housing monitoring of Agency bond-financed rental apartment projects. During the 1980's the Agency provided tax-exempt financing for six large rental apartment complexes which are required to implement a program for achieving racial and economic integration in their developments. The original contract entered into in 1990 was initiated due to a complaint of racial discrimination at one of the projects filed with the Human Rights Commission. The contract provides for fair housing monitoring and training related to six rental apartment complexes financed by the Agency with tax-exempt bond proceeds. There has been a marked improvement in fair housing practices by the management of the six developments as a result of Project Sentinel's activities performed under the contract. \$10,000 has been budgeted to renew the contract for fiscal year 1993-94.

Ann Marquart, Executive Director of Project Sentinel, made a presentation and responded to questions from the Commissioners.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Helfeld introduced item (a), which requests authorization to request the Board of Supervisors to consent to Joint Public Hearings to consider amendments to the existing Redevelopment Plans for the Yerba Buena Center, Hunters Point, India Basin Industrial Park, Western Addition A-2, Embarcadero-Lower Market, Rincon Point-South Beach, and South of Market Earthquake Redovery Redevelopment Projects for the purpose of merging said projects.

This is not an agenda item and, in accordance with the Brown Act regulations, a determination needs to be made by the Commission that a necessity to take action on this off-agenda item arose after posting of the agenda on Friday, November 5, 1993. Pursuant to Government Code Section 54954.2(b)(2), a vote of five of the seven Commissioners members is required to add this item.

MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON NOVEMBER 5, 1993.

Mr. Helfeld indicated that recently Governor Wilson signed a reform act covering redevelopment law with many ramifications. Following review of the impact by Agency legal counsel and outside legal counsel, it has been determined that if the Agency is going to proceed with a project merger, there is a need to go through the process before the law goes into effect on January 1, 1994. It is hoped the Board of Supervisors will agree to a joint public hearing with the Commission on the merger and appropriate actions.

In response to an inquiry from Mr. Kitahata regarding the inclusion in the resolution of the Federal Office Building (GSA) project at 10th and Market Streets, David Madway, Agency General Counsel indicated that this is not a redevelopment project area by ordinance yet and when an ordinance is adopted the GSA project will be merged with the other projects by an amendment.

ADOPTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 251-93 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On November 16, 1993, 11:00 a.m. to 1:00 p.m., there will be groundbreaking ceremonies in the South of Market for: a 24 unit affordable family project at Sixth and Minna Streets developed by Asian, Inc.; a 30 unit affordable family project at 1028 Howard Street developed by Mercy Charities Housing California; and a 140 SRO project at Sixth and Tehama Streets developed by TODCO. The ceremonies will be held at Sixth and Minna Streets.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from Mr. Rosales regarding Consent Agenda item (c), Mr. Helfeld indicated that in August 1992, the Commission authorized a five year lease with the building owner, WCP II located at 1426 Fillmore Street at no cost to the Agency to provide office space for business incubator and related businesses, as one of the conditions for the settlement of the parking requirements for this building and the building located at the southwest corner of Geary and Webster Street. However, at the time of this approval, a second condition of the settlement was not authorized, which was to off-set rent arrearage in the amount of \$68,025 which WCP II owed to the Agency for rental of an Agency-owned lot used for tenant parking for the building. Off-setting the rent arrearage of \$68,025 is in exchange for free office space at 1426 Fillmore Street and action today ratifies the original transaction.
- (b) Acting President Ong requested a workshop on Agency housing activities related to serving the homeless be scheduled in the near future. She indicated she would like the persons who attended the last workshop invited and specifically the South of Market Problem Solving Council.
- (c) In response to an inquiry from Ms. Schilling, Mr. Helfeld indicated that he was surprised to receive a letter from Richard M. Holiday expressing an interest in converting the Williams Building to housing because Mr. Holiday had been informed that a demolition contract had already been awarded and the building might be demolished in less than a month. In addition, it was never intended to separate the Williams Building from the rest of the site. In the interim, there have been rumours that FEMA

maybe offering funds of \$6 million to save the building but there has been nothing in writing to that effect.

William Nakamura, Chief, Engineering and Rehabilitation, indicated that demolition could occur on November 21, however, the contractor might not be quite ready by that date.

In response to an inquiry from Ms. Schilling, Mr. Nakamura indicated that, to date, no appeals have been received.

Acting President Ong announced that there would be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property locations and the entities the Agency may negotiate with are:

San Francisco Naval Shipyard with the United States Navy; and

the block bounded by Steuart, Spear and Folsom Streets in Rincon Point-South Beach with the GAP.

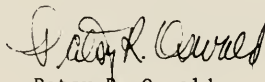
There will also be a Closed Session pursuant to Government Code Section 54957.6 to instruct the Agency's designated representative to negotiate with Local 790 and Local 21.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned to Closed Session on Real Property Negotiations, Negotiations with Local 790 and Local 21 and Personnel. The meeting adjourned at 6:30 p.m.

Respectfully submitted,


Patsy B. Oswald
Agency Secretary

APPROVED

January 11, 1994

JAN 21 1994

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
16TH DAY OF NOVEMBER, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 16th day of November, 1993, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Leroy King
Gary Kitahata
Jon Henry Kouba

and the following were absent:

Manuel A. Rosales
Leslie T. Schilling
Clarence R. Stern (Arrived 4:15 p.m.)

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Ted Dientsfrey, Mayor's Office of Housing; Paul Turner, Seina Investments; Jewell Green; Theresa Coleman; Romania Bell; Eneleta Faitotoa; Espanola Jackson; Tiki Hadley; Harold McCoy, Sr.; John Johansen; Ace Washington, CNS Community News; Karen Huggins and Barbara Meskunas, Commissioners, San Francisco Housing Authority; Margaret Verges, PADS; Mamie Matthews; Georgia Willette; Christine Ned; Pelenise Sagote; Evelyn Hardy; Amie Clark; Caroline Washington; Leslie Blunt; Doug Comtoch; Cynthia Wheeler; Mark Ryser; LaMoyné Darnall and Ed Nachtmann, Federal Emergency Management Association (FEMA); Vincent Marsh, San Francisco Landmarks Advisory Board; and G. Bland Platt.

Representing the press was: Gerald Adams, San Francisco Examiner; Martin Espinoza, Bay Guardian; and John King, San Francisco Chronicle.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests consideration of a request to provide \$356,762 in Agency Tax Increment funds to the Resident Management Council or its Assignee of Alemany Apartments, located at 949 Ellsworth Street, in connection with the Federal HOPE I Program to convert public housing units to provide private ownership, as part of the Citywide Tax Increment Housing Program.
- (b) Mr. Helfeld introduced item (b), which requests consideration of a request to provide \$683,230 in Agency Tax Increment Housing

funds to the Resident Management Council or its Assignee of Westbrook Apartments, located at One Harbor Road, in connection with the HOPE I Program to convert public Housing units to provide private ownership, as part of the Citywide Tax Increment Housing Program.

On November 9, 1993, the resident organizations of the properties, two public housing projects under the jurisdiction of the San Francisco Housing Authority, applied for Agency tax increment housing funds as the local funding match in their application for HOPE I funds, a program administered by the U.S. Department of Housing and Urban Development (HUD), which allows public housing tenants to buy their units from the Housing Authority. The HUD deadline for applying to the HOPE I program is November 19, 1993 and the Housing Authority Commission approved submittal of the applications to HUD on November 15, 1993. Two members of the Citywide Housing Loan Committee, Ted Dientsfrey of the Mayor's Office of Housing and Eleanor Jacobs, the Mayor's Homeless Coordinator, voted to fund these requests and the Commissioners have been provided with a letter from Mr. Dientsfrey requesting Commission approval. The other Committee member, Edward Helfeld, voted against providing the requested funding because Agency staff has several concerns which it is believed have not been adequately addressed. The concerns, which are enumerated in staff memorandum of November 10, 1993, include: lack of long-term affordability; inconsistency with the City's Comprehensive Housing and Affordability Strategy (CHAS); encumbrance by the Agency of \$1,039,993 in scarce affordable housing funds for an extended period of time with no guarantee that tenant acquisition would occur; there is no guarantee under the HOPE I program that the loss of 226 public housing units would be physically replaced; and apparent phase-out of the HOPE I program by Congress and the Clinton administration, as demonstrated by substantial reduced levels of funding. Although staff strongly supports the goal of assisting public housing residents, it is unclear how the Agency funds would be expended and it is believed a more detailed breakdown of the proposed budget is required to undertake any meaningful analysis to determine whether the funds are to be used efficiently and appropriately.

Ted Dientsfrey, Director, Mayor's Office of Housing, indicated his support of the grant requests for the reasons enumerated in his memorandum dated November 10, 1993 to the Commission. He noted a letter from Mayor Jordan dated November 12, 1993 also indicates support of funding these requests.

Mr. Stern arrived at this time, 4:15. p.m.

Paul Turner, Senia Investments, Consultant to the resident organizations, responded to questions from Commissioners regarding the projects and the feasibility of the hud application being approved.

The following persons spoke in support of items (a) and (b): Jewell Green; Theresa Coleman; Romania Bell; Eneleta Faitotoa; Espanola Jackson; Tiki Hadley; Harold McCoy, Sr.; John Johansen; Ace Washington, CNS Community News; Karen Huggins, Commissioner, San Francisco Housing Authority; Margaret Verges, PADS; Mamie Matthews; Barbara Meskunas, Commissioners, San Francisco Housing Authority; and Georgia Willette.

A discussion ensued between the Commissioners, Ms. Muskunas, Mr. Dientsfrey and Mr. Helfeld, following which Mr. Helfeld suggested that the resolutions be approved conditioned upon: all units that are converted to homeownership shall be physically replaced on a one-for-one basis with the new construction of public housing units and shall be subject to the Agency's 50-year affordability restrictions; no Agency funds shall be expended until after the ownership and title of the property has been transferred to the Resident Management Councils (RMC); and the funding commitments authorized by the resolutions shall expire the earlier of April 30, 1994 or the date HUD acts upon the application for HOPE I funds. In the event HUD has not acted on the applications by April 30, 1994, the Commission will consider an extension of the funding commitments.

It was the consensus of the Commissioners that the resolutions be adopted, subject to the conditions outlined by Mr. Helfeld.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT ITEM (a), RESOLUTION NO. 252-93, AS AMENDED, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT ITEM (b), RESOLUTION NO. 253-93, AS AMENDED, BE ADOPTED.

REPORT OF THE PRESIDENT

- (a) Acting President Ong reported she had attended ground breaking ceremonies held on November 16 for three housing projects in the South of Market: 24 affordable family units at Sixth and Minna Street developed by Asian, Inc.; 30 affordable family units at 1028 Howard Street developed by Mercy Charities Housing California; and 140 SRO residential units at Sixth and Tehama Streets developed by TODCO. Commissioner King was also in attendance.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) There will be a joint public hearing with the Board of Supervisors on December 13, 1993 at 3:00 p.m. regarding the merger of redevelopment project areas.

- (b) On November 15, the Board of Supervisors passed a resolution endorsing the application by the Redevelopment Agency to the Department of Defense for purposes of funding base closure work and urging the creation of an Office of Base Conversion with these funds.
- (c) Mr. Helfeld read a report into the record from Daniel Shapiro, Engineer, emphasizing that the hazardous condition of the Williams Building located at 695 Mission Street poses an imminent danger to the public and its attendant liability. He noted that the Commissioners had been provided with a letter dated November 15, 1993 to Roy Kite of the Federal Emergency Management Agency (FEMA) requesting clarification of communications received regarding FEMA providing \$6.8 million to seismically update the building. In the meantime, that Board of Supervisors has gone on record urging the Agency to: explore all possible uses to ensure the preservation and retention of the Williams Building; accept FEMA money to seismically upgrade the building; and to demonstrate its good faith to the 1984 Memorandum of Agreement. The Commissioners have been provided with a letter responding to that resolution dated November 16, 1993, which indicates that if the FEMA money is available now the building can be saved. The Board of Permit Appeals has been advised of the hazardous condition of the building resulting in a hearing that was set for late January 1994 being rescheduled for December 1, 1993 at 5:30 p.m.

LaMoyné Darnall, FEMA, indicated that \$6.8 million is available to restore the Williams Building and if \$1.5 is required immediately to stabilize the building then this will be provided in advance of the funds needed for full rehabilitation. He noted that two Damage Survey Reports have been prepared totalling \$6.8 million, however, an actual appropriation has not yet been made.

Mr. Helfeld noted that the Agency has not received anything directly in writing from FEMA and he emphasized the importance of expediting this matter because the hazardous condition of the building poses a great danger to the public.

In response to an inquiry from Mr. Kouba, Mr. Darnall indicated that the funds are available and it could take 30 days for them to be transferred.

David Madway, Agency General Counsel, requested FEMA prepare a draft letter for his review to see if the language satisfies the Agency.

It was the consensus of the Commissioners that Agency General Counsel meet with FEMA representatives as soon as possible to negotiate language satisfactory to the Agency reflecting a firm commitment that \$6.8 million will be appropriated for rehabilitation of the Williams Building.

Mark Ryser, Foundation for San Francisco's Architectural Heritage indicated that in fairness to FEMA he would like to point out

that the State was directed by the City of San Francisco to hold up processing the Agency's application for FEMA funds. More recently the Commission made it public that it would move ahead with demolition of the building unless FEMA provided funds for the building. FEMA needed plans and cost estimates from the Agency in order to determine the amount of funding that could be made available and it is understood those materials were submitted to FEMA on November 1st.

Acting President Ong announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is the San Francisco Naval Shipyard and the entity the Agency may negotiate with is the United States Navy.

There will also be a Closed Session pursuant to Government Code Section 54957.6 to instruct the Agency's designated representative to negotiate with Local 790 and Local 21.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

There is an additional Closed Session item which arose subsequent to posting of the agenda on Friday, November 12, 1993. Pursuant to Government Code Section 54952.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

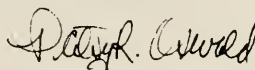
MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS ITEM AROSE AFTER POSTING OF THE AGENDA ON NOVEMBER 12, 1993.

This item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located in Yerba Buena Center and the entity the Agency may negotiate with is the San Francisco Museum of Modern Art.

ADJOURNMENT

It was moved by Mr. Stern, seconded by Mr. King, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations, negotiations with Local 790 and Local 21 and Personnel. The meeting adjourned at 5:55 p.m.

Respectfully submitted,



Patsy G. Oswald
Agency Secretary

Minutes of a Regular Meeting, November 16, 1993

APPROVED

January 11, 1994

JAN 21 1994

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
23RD DAY OF NOVEMBER, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 23rd day of November, 1993, the place and date duly established for the holding of such a meeting.

The By-laws state that in the absence of the President and Vice President, the members shall select a member as Temporary President for the purpose of conducting meetings and performing the duties of the President.

MOTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT MR. KING BE ELECTED TEMPORARY PRESIDENT.

The Temporary President called the meeting to order and on roll call the following answered present:

Leroy King, Temporary President
Gary Kitahata
Jon Henry Kouba
Manuel A. Rosales

and the following were absent:

Cynthia Choy Ong, Acting President
Leslie T. Schilling

Clarence R. Stern (Arrived during the
Closed Session)

The Temporary President declared that a quorum was present.

Robert Gamble, Acting Executive Director, and staff members were also present.

Also present were: Francee Covington, Francee Covington Productions; Ocie Mae Rogers, New Bayview; Caroline Washington, Advisory Board, Southeast Community College; Kevin Stein, Home Base; Eleanor Jacobs, Mayor's Homeless Coordinator; and Mark Ryser, Foundation of San Francisco's Architectural Heritage.

Representing the press was: John King, San Francisco Examiner.

UNFINISHED BUSINESS

- (a) Michael Kaplan, Project Coordinator, Rincon Point-South Beach, introduced item (a), which requests establishment of a Policy for Waiving Berthing Fees for seven presently vacant berths in the South Beach Harbor for non-profit sailing organizations in connection with Rincon Point-South Beach. Based upon Commission comments and those of non-profit community sailing organizations

at the November 9, 1993 Agency meeting, staff has modified the policy that was initially proposed whereby a non-profit organization will not be required to seek funding to pay berthing fees or provide evidence of funding raising efforts and will provide annual reports, rather than quarterly. The policy will remain in effect for five years (December 31, 1998) provided that the Commission will review the policy after three years (December 31, 1996) from a fiscal standpoint to determine whether or not it should be continued. This review will analyze the Agency's ability to service the harbor bond debt from other than harbor sources and will weigh the social benefits of a continued non-profit sailing program against fiscal concerns. If at that time the Commission determines it necessary to terminate the policy, the non-profit tenants will be given a two year notice to vacate their berth (s) or pay full berthing fees. The Commissioners have been provided with details of the proposed implementation process. A revised resolution is before the Commission which indicates that if at the end of the annual review the performance of a non-profit is judged unsatisfactory, the Executive Director shall notify the non-profit of such finding and allow the non-profit a minimum of thirty days to provide further information to the Agency in order to remedy any defect in its program or status and satisfy staff concerns, after which time the Executive Director may continue the license agreement or terminate it providing the non-profit with a minimum of thirty days notice. The non-profit will have the right to appeal any decision to terminate the agreement to the Agency Commission.

Mr. Rosales inquired regarding fixing berth rates for the non-profits at this time because the rates could be more expensive in several years and Mr. Kaplan indicated that it is not anticipated that the berth rates will increase to any great degree.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 250-93 BE ADOPTED.

NEW BUSINESS - CONSENT AGENDA

Temporary President King indicated that there is a person wishing to speak on item (c) and it would therefore be removed from the Consent Agenda and considered as a Regular Agenda item.

THE ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing the purchase of East and West Cafe furniture and Esplanade Garden administration office furniture in an amount not to exceed \$130,000 for Yerba Buena Gardens; Yerba Buena Center.
- (b) Authorizing a Third Amendatory Agreement to the Addendum with the Nihonmachi Community Development Corporation and Nihonmachi

Parking Corporation in connection with the development by the Nihonmachi Parking Corporation of a parcel located within the block bounded by the Buchanan Mall and Sutter, Laguna and Post Streets; Western Addition A-2.

- (d) Authorizing a Personal Services Contract in an amount not to exceed \$22,820 with Francee Covington Productions for video production services; Hunters Point Shipyard.

ADOPTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a), (b) AND (d), RESOLUTION NUMBERS 254-93, 255-93 AND 257-93, BE ADOPTED.

In response to an inquiry from Mr. Rosales regarding Consent Agenda item (d), the award of a Personal Services Contract to Francee Covington, Mr. Gamble indicated that Mr. Rosales would be provided with a copy of the Agency's purchasing policy.

NEW BUSINESS - REGULAR AGENDA

- (c) Michele Davis, Housing Development Specialist, introduced item (c), which requests conditional authorization of a Third Amendment to the Land Disposition Agreement (LDA) with La Villas Partnership for the development of Site S-6 located on the southwest corner of Newcomb and LaSalle Avenues in Hunters Point. The Developer has requested the Agency consent to the amendment of the mortgagee protection provisions of the LDA to subordinate the Agency's affordability restrictions and capital contribution liens to the lien of the construction loan in order to facilitate the closing of their construction loan with Wells Fargo Bank. An amendment to the LDA performance schedule is also being requested.

Ocie Mae Rogers, New Bayview, requested consideration be given to hiring her as a flag lady at the project.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 256-93 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Robert Gamble reported to the Commissioners on the following matters:

- (a) The Building Industry Conference Board, composed of architectural, engineering and construction firms, select three achievements to award annually. On November 18, they bestowed the most prestigious award on the Agency for Yerba Buena Gardens. There have been few public agencies so honored in the past and only one individual from the Redevelopment Agency, M. Justin Herman, was a previous recipient.
- (b) Agency staff has prepared a response on behalf of San Francisco General Hospital to the recent request for information (RFI)

issued by the University of California, San Francisco, (UCSF) for the construction of 100,000 square feet of lab space.

Temporary President King announced that since the next two agenda items are not scheduled to be heard before 5:00 p.m. there would be a Closed Session pursuant to Government Code Section 54957.6 on negotiations with Local 790 and Local 21 and a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. Kouba, seconded by Mr. King, and unanimously carried that the meeting be adjourned to Closed Sessions on negotiations with Local 790 and Local 21 and Personnel. The meeting adjourned at 4:25 p.m.

RECONVENED

At this time, 5:00 p.m., the meeting reconvened back to the regular session with the same roll call, with the addition of Mr. Stern.

NEW BUSINESS - REGULAR AGENDA (Continued)

- (e) Mr. Gamble introduced item (e), a workshop, the purpose of which is to discuss a possible change of the Agency's name. Earlier this year Mayor Jordan formally requested that the Agency change its name and during the Strategic Planning process, it has been proposed that the Agency's name be changed to the San Francisco Development Agency. The primary reason expressed for the change was that the revised name would much more clearly describe the new role of the Agency as the City's public developer. The Commissioners have been provided with a memorandum from Agency General Counsel indicating that the simplest way to accomplish the change would be by a By-law change. It is estimated the cost would range from \$20,000 to \$30,000 to make the appropriate changes to the Agency's stationery, documents, purchase orders, etc.

In response to an inquiry from Mr. King, Mr. Gamble indicated that a special notice on the workshop had been sent to all recipients of the tentative agenda, which number over three hundred, and it had also been listed on the regular tentative agenda.

The Commissioners noted their support of the name change, with the exception of Mr. King who indicated his opposition because the communities that have supported the Agency over the years will feel abandoned.

Mr. Kitahata indicated that the purpose of the name change is to lay out more directly what the Agency's functions are and it is not unusual for an agency to have two names. It has been made clear that the Agency's role as a redevelopment agency is being expanded, current obligations will be fulfilled and communities

are not being cast aside. He requested the name change be calendared as an action item for the December 7, 1993 meeting.

Mr. King indicated it would be more appropriate to wait until after the December 13 hearing by the Board of Supervisors on the merger of redevelopment projects.

Mr. Kouba requested consideration be given to restoring the Agency's old logo (seal). He indicated that it is unique and should have never been cast aside and Mr. Rosales noted his agreement.

MOTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT CONSIDERATION OF THE NAME CHANGE AND RESTORING THE SEAL APPEAR AS AGENDA ITEMS BEFORE THE END OF THE YEAR.

- (f) Jack Robertson, Acting Chief of Housing Production and Management, introduced item (f), a workshop, the purpose of which is for a presentation on the Agency's role in addressing homelessness and this report updates a workshop on the Agency's homeless related activities held on March 9, 1993. For the past four years, the Agency has undertaken an aggressive loan and grant program for financing affordable housing City-wide as well as within redevelopment project areas. Through the City-wide Tax Increment Housing Program, which is the Agency's principal housing program, several special needs housing projects have been funded, including projects whose target population is homeless persons or persons at-risk of becoming homeless. Various local organizations involved in homeless issues have been notified of this workshop.

Eleanor Jacobs, Mayor's Homeless Coordinator, made a presentation on the Mayor's homeless program, including a review of the Mayor's Matrix Program, and responded to questions from the Commissioners.

- (g) Helen Sause, Project Director, Yerba Buena Center, introduced item (g), which requests authorization to accept damage survey reports from the Federal Emergency Management Agency (FEMA) in the total amount of \$6.8 million for the stabilization and repair of the Williams Building located at 693 Mission Street in Yerba Buena Center and to apply for an "alternative project" permitting expenditure of a portion of the FEMA funds for seismic work on the Jessie Street Substation. Since the October 1989 earthquake, FEMA funds were sought for repair of the building and, following a direction by the BBI to abate what it viewed as an unsafe condition of the building, a demolition permit was sought. An appeal has since been filed to the Board of Permit Appeals challenging issuance of the permit. On November 19, 1993 FEMA directed a letter to the Agency advising it was prepared to make available \$6,876,092 first, for the immediate stabilization and later, the repair of the building. It should be noted that these funds cannot be passed onto a developer for renovation but can only be used by the Agency. FEMA has also indicated a

willingness to entertain an application for an alternative project to apply a portion of those funds to the construction or repair of another publicly owned facility and it is proposed to apply for funding for the purpose of paying a portion of the costs of stabilization and repair of the Jessie Street Substation and the surrounding plaza. In the event the application is accepted, the FEMA funds for an alternative project would be reduced by 10 percent. The \$1.5 million would be used to stabilize the Williams Building and the approximate balance of \$4.8 million could be used to rehabilitate the Jessie Street Substation. The demolition contractor has been instructed to suspend work pending Commission actions now being recommended.

In response to an inquiry from Mr. Rosales, Mr. Gamble indicated it has always been contemplated the site would be sold as a whole and its sub-division for a free standing building would have a negative economic impact on the land price. He noted that the Agency has committed to using the land sale proceeds to retire existing bond debt.

Mark Ryser, Foundation for San Francisco's Architectural Heritage, noted his concern that staff does not propose to use all the FEMA funds on the Williams Building. He urged the Commission to accept the FEMA money but postpone a decision on how it should be spent until the next meeting.

An extensive discussion ensued between the Commissioners and staff and Mr. Ryser regarding disposition of the FEMA funds.

Mr. Gamble noted that an item concerning preservation of the Williams Building is pending before the Housing and Land Use Committee of the Board of Supervisors, however, it is not certain when it will be calendared.

ADOPTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 258-93 BE ADOPTED.

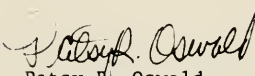
REPORT OF THE EXECUTIVE DIRECTOR (Continued)

- (c) There will be a public hearing with the Board of Supervisors on December 13 at 3:00 p.m. regarding the merger of redevelopment projects.
- (d) There will not be a Regular Agency meeting on November 30, however, there will be a Closed Session on personnel.

ADJOURNMENT

It was moved by Mr. Stern, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:30 p.m.

Respectfully submitted,


Patsy E. Oswald
Agency Secretary

APPROVED

January 18, 1994

JAN 21 1994

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11
MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
30TH DAY OF NOVEMBER, 1993

2193
The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a Special Meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 30th day of November, 1993, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Leroy King
Jon Henry Kouba
Clarence R. Stern

and the following were absent:

Gary Kitahata
Manuel A. Rosales
Leslie T. Schilling

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Mrs. Bland Platt; Vincent Marsh, Landmarks Preservation Board; Mark Ryser, Foundation for San Francisco's Heritage; and Pamela Ayo Yetunde.

Representing the press was: Gerald Adams, San Francisco Examiner.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), the purpose of which is for reconsideration of Resolution No. 258-93 adopted on November 23, 1993 in connection with the Williams Building located at 693 Mission Street in Yerba Buena Center. A draft letter has been prepared to the Housing and Land Use Committee of the Board of Supervisors and it is suggested the meeting be recessed in order for the Commissioners to review the draft.

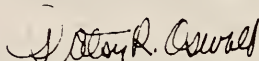
The meeting recessed at 4:10 p.m. and reconvened at 4:20 p.m. with the same roll call.

Ms. Ong read Resolution No. 258-93 into the record and noted her concern that a section of the draft letter, page 3, paragraph 4, is too specific to the Jessie Street Substation as an alternate project for FEMA funding and she would prefer to see the same language that is used in the resolution, which is more flexible.

ADJOURNMENT

It was moved by Mr. Kouba, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned to a Closed Session on Personnel. The meeting adjourned at 5:30 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

January 18, 1994

Attachments

DRAFT

November 30, 1993

103- 93-146

VIA MESSENGER

Hon. Sue Bierman
Hon. William Maher
Hon. Kevin Shelley
Housing and Land Use Committee
Board of Supervisors
City Hall
San Francisco, CA 94102

Re: The Williams Building
693 Mission Street

Dear Supervisors:

On December 2, your committee will consider a proposed resolution regarding the Williams Building. In its present form, that resolution urges the Redevelopment Agency Commission to take action inconsistent with financial commitments it made to the City and with a 1984 Memorandum of Agreement ("MOA") establishing standards and procedures for preservation of the Williams Building.

The Federal Emergency Management Agency ("FEMA") has committed funds which the Agency intends to use to stabilize the Williams Building until the entire parcel on which it is situated is developed. Since the FEMA commitment permits the Agency to restore the pre-earthquake status quo and to implement fully the MOA, we feel that the proposed resolution is unnecessary. If the Board nonetheless feels that a resolution is needed, we ask that you consider changes that urge action which would permit the building to be preserved as contemplated by the MOA, without substantially undermining the economic value of the parcel.

BACKGROUND

The MOA - In 1984, the City, the State Historic Preservation Office and the National Advisory Council on Historic Preservation executed the MOA following protracted negotiations. Those negotiations also involved the Agency, the then prospective developer of the Williams Building parcel, Olympia and York, and representatives of the historic preservation community. The MOA, a copy of which is enclosed with this letter, requires the Agency to issue a request for proposals for the entire parcel (not just the Williams Building) calling for "retention, rehabilitation, and

mid-rise construction costs, \$150/square foot, and added to that product the demolition cost for the existing building, \$356,915.

Second, FEMA has rejected the Agency's argument that because the Williams Building is historic; there should be no limit on the funds granted for its restoration. Because the cost of historic restoration -- especially where, as here, there has been great structural damage and deterioration -- normally exceeds the cost of new construction by substantial amounts, it is virtually certain that FEMA funding would fall far short of covering such costs. Beyond that, the cost of restoration in such situations is notoriously difficult to estimate accurately.

Third, under the federal law which controls FEMA's actions here, funds can be made available only to a unit of state or local government. See Section 406(a)(1) of the Stafford Act (P.L. 93-288 as amended by P.L. 100-707); 44 C.F.R. Sections 206.222 and 206.223(a)(3). Accordingly, FEMA has stated that it will not make any funds for the repair or restoration of the Williams Building available to a private developer of that parcel. Any restoration work funded by FEMA would have to be performed by the Agency while the Agency owned the building.

Fourth, if the Agency does not wish to use all of the FEMA funds to restore the Williams Building as a free-standing structure, FEMA has invited the Agency apply for an "alternate project." After a 10% reduction in the grant amount remaining after the use of about \$1.5 million to stabilize the building, the Agency, under the alternate project option, would be permitted to use the remaining funds, about \$4.8 million, to pay for seismic bracing in the Jessie Street Substation and to construct the surrounding public plaza, both of which would remain in public ownership.

The result of the FEMA limitations is that if complete "restoration" is to be undertaken, it would have to be performed by the Agency while the building is owned by it, with the likelihood that the funds required to do the work (estimated at \$10 - \$12 million) would exceed by a substantial amount (approximately \$3 - \$5 million) the funds made available by FEMA. The Agency has no funds available to make up that shortfall.

Under the "alternate project" scenario, the Agency could stabilize the Williams Building for later integration into a development of the entire parcel, as originally intended under the MOA. At the same time, it would make a significant contribu-

the City (from \$3 to \$5 million) to complete an historic restoration which the FEMA funds will not completely cover.

If the Agency used approximately \$1.5 million of the FEMA funds to stabilize the Williams Building now, and a developer was later permitted to integrate it into a new structure, the Agency believes that very nearly the full development value of the parcel could be realized and applied to the retirement of the general obligation bonds. At the same time, the most important architectural and historic values of the building would be preserved and the full and complete intent of the MOA would be realized. If the "alternate project" is pursued, the City would also have the benefit of the assured preservation and enhancement of the Jessie Street Substation.

THE RESOLUTION

For the reasons described above, we feel that no resolution is needed. However, should you and your colleagues decide to proceed, we offer several changes for your consideration.

In our letter to you and your colleagues of November 16, we urged certain changes in the "whereas" clauses of the resolution. Now that we have met further with FEMA and our Commission has acted (a copy of the Agency Resolution 258-93 is enclosed), we ask you to consider the following changes in the "Resolved" provisions of the resolution:

RESOLVED, That the Redevelopment Agency seek to acquire the \$6.8 million grant full funding from the Federal Emergency Management Agency to stabilize the Williams Building and to apply for an "alternate project" to fund preservation and enhancement of the Jessie Street Substation repair and seismically upgrade the building; and, be it

FURTHER RESOLVED, That the City and County of San Francisco does hereby urge the Redevelopment Agency to show good faith to the agreement with the City, the State of California and the United States made in 1984, and to rehabilitate stabilize the Williams Building unless it demonstrates that it is economically unfeasible so its preservation can be undertaken pursuant to the standards and procedures established in the 1984 agreement; and be it

FURTHER RESOLVED, That the City and County of San Francisco does hereby urge the Redevelopment Agency to explore all possible uses that could ensure the preser-

RESOLUTION NO. 258-93

(Adopted November 23, 1993)

AUTHORIZING (i) ACCEPTANCE OF FUNDS FROM THE FEDERAL EMERGENCY MANAGEMENT AGENCY ("FEMA") TO BRACE THE WILLIAMS BUILDING, AND (ii) AN APPLICATION TO FEMA TO UTILIZE THE BALANCE OF THE FUNDS FOR THE WILLIAMS BUILDING FOR AN ALTERNATE PROJECT.

(YERBA BUENA CENTER APPROVED REDEVELOPMENT PROJECT AREA D-1)

BASIS FOR RESOLUTION

1. The Williams Building, at the Southeast corner of Third and Mission Streets, is the subject of a Memorandum of Agreement ("MOA") among the City, the State Historic Preservation Office and the National Advisory Council on Historic Preservation. The MOA calls for retention, rehabilitation or adaptive reuse of the Williams Building if it is economically feasible to do so. It was contemplated by the parties to the MOA and by the Agency that the building would be "preserved" (if economically feasible) by the developer of the entire site on which the Williams Building is situated, East Block 2-A in the Yerba Buena Center Project Area.

2. The Williams Building was severely damaged in the Loma Prieta earthquake of October 17, 1989. The City's Bureau of Building Inspection ("BBI") "red tagged" the building and ordered it vacated and sealed.

3. By letter of April 20, 1993, BBI advised the Agency that the building was a hazard and directed that the hazard be abated. In testimony before the Commission, Daniel Shapiro, the Agency's consulting structural engineer stated that the building was deteriorating, was in danger of collapsing, and that the need for its bracing constituted an emergency.

4. On August 19, 1993, the Commission directed the Executive Director to enter into a contract to demolish the Williams Building. At the same time, the Agency staff, working in conjunction with the City, pressed FEMA to make funds available for repair of the building.

5. By letter dated November 19, 1993, FEMA advised the Agency that it is prepared to make available a total of approximately \$6.8 million for stabilizing and repairing the Williams Building. Based upon that commitment from FEMA, the Executive

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
7TH DAY OF DECEMBER, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 7th day of December, 1993, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Leroy King
Gary Kitahata
Jon Henry Kouba
Manuel A. Rosales
Leslie T. Schilling

and the following was absent:

Clarence R. Stern (Arrived 5:25 p.m.)

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Chuck Collins, WDG Companies and Mayor's Fillmore-Western Addition Economic Planning and Development Task Force; Bob Davis; Essie Collins; Alex Pitcher; Calvin Welch, Council of Community Housing Organizations (CCHO); Lefty Gordon, Ella Hill Hutch Community Center; Wayne Corn, Planning Association for Divisadero Street and other Western Addition Community Groups; Naomi Gray, Chair, Mayor's Fillmore-Western Addition Economic Planning and Development Task Force; Robert Speer, Beideman Neighborhood Group; Ace Washington; Espanola Jackson; Samuel Murray; John Elberling, TODCO; Rudy Nothenberg, Chief Administrative Officer; Bayard Fong, Contract Compliance Officer, Human Rights Commission; Laura Wagner, Office of the Chief Administrator; Stephen Hicks, PaineWebber; Jamison Miller, Dean Witter; Paul Rosentiel, First Boston Corporation; Dean Flores, Pryor, McClendon, Counts & Co.; Monique Humphreys and Addie Little, Smith Mitchell; Robert Davis, Mayor's Fillmore-Western Addition Economic Planning and Development Task Force; Caroline Washington; Luz Buitrago; Ocie Rogers; and A. Luis-Carnes.

Representing the press were: Gerald Adams, San Francisco Examiner; and Jim Balderston, Bay Guardian.

APPROVAL OF MINUTES

It was moved by Ms. Schilling, seconded by Mr. Kouba, and unanimously carried that minutes of the Regular Meetings of October 19 and 26, 1993, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS - CONSENT AGENDA

At the request of Mr. Rosales, item (c) was removed from the Consent Agenda and considered as Regular Agenda item.

THE ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Approving a re-negotiated Memorandum of Agreement with United Public Employees Local 790 for the period July 1, 1993 through June 30, 1994.
- (b) Approving a Fourth Amendment to the Memorandum of Agreement with International Federal of Professional and Technical Engineers Local 21 to extend the term through December 31, 1993.
- (d) Repealing the Agency's South African Divestment Policy.
- (e) Authorizing the refunding of the 1980 Opera Plaza Bonds; Western Addition A-2.
- (f) Approving a contract with Orion Environmental Associates in an amount not to exceed \$35,000 for professional services in connection with the preparation of the Preliminary Negative Declaration for the proposed Medical Research/Clinic Building on the San Francisco General Hospital Campus.

ADOPTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a), (b), (d), (e) AND (f), RESOLUTION NUMBERS 259-93, 260-93, 262-93, 263-93 AND 264-93, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) William Carney, Senior Landscape Architect, introduced item (c), which requests authorization of a \$70,000 First Amendment to the Landscape Architectural Contract with Paul M. Friedberg & Partners for design revisions to the Children's Garden on Central Block 3 (CB-3) in the Yerba Buena Gardens of Yerba Buena Center. In September 1993, the Commission approved revised design drawings for the Children's Garden. The revisions were the result of concerns raised at a June 1993 workshop and associated public review sessions. These concerns lead to a series of design sessions with the Board of Directors of the CB-3 Children's Place, which will have the primary responsibility for programming activities in the Garden. Following approval of the revised design drawings in September 1993, the revisions required additional design work to be incorporated into the preliminary construction documents, resulting in fees and expenses beyond the scope of the base design fixed fee contract. The expenditure for the additional design work, when added to the fixed fee amount, represents 11.8 percent of the project's construction budget, which is still within the range of fee percentages achieved for the other YBG design contracts. Since the additional work has

been performed only by the Friedberg firm, with no need for the involvement of technical subconsultants, the amendment results in reductions of the overall percentages of the contract going to M/WBE firms. The reductions are from 14.6 percent to 14.1 percent for MBE's and from 12.2 percent to 11.2 percent for WBE's. However, within its own professional workforce, the firm has achieved a considerable improvement in the participation of minorities since the last review in June 1992. The Commissioners have been provided with a breakdown of the firm's affirmative action efforts.

In response to an inquiry from Mr. Rosales, Mr. Carney indicated that the basic design contract includes all phases of design and construction documentation of the Gardens. However, there were revisions to the design and work that had been done had to be re-done, resulting in this additional expenditure. Although efforts are made to avoid such situations, there is susceptibility because of the open design process, which involves review by a number of parties.

In response to an inquiry from Mr. Rosales, Mr. Carney indicated that with regard to the Central Block 2 entertainment center, it has been made clear to developers that if there are changes then funding the changes will be the responsibility of the developer.

Mr. Carney responded to questions from Mr. King regarding the Friedberg firm's affirmative action program.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 261-93 BE ADOPTED.

Mr. Helfeld suggested that the remainder of the agenda be considered pending the arrival of Rudy Nothenberg, Chief Administrative Officer, who wishes to speak on item (g).

REPORT OF THE PRESIDENT

- (a) Acting President Ong reported that a second Economic Development Interdepartmental Coordination Group meeting had taken place on December 1 to discuss "front burner" economic issues. She noted the additional departments that were represented at the December 1st meeting.

Kent Sims, Deputy Executive Director, Economic Policy, indicated that Mayor Jordan has requested the Agency broaden its mission pursuant to its Strategic Plan to become the City's economic development agency. The Mayor further suggested it would be appropriate for the Agency to host a series of meetings with other City departments that are most concerned with economic development and to see what economic development opportunities these departments have to offer in the projects they are undertaking. Mr. Sims summarized presentations made by Jim Lazarus, Chief of Operations, Mayor's Office, at the meetings held on October 26 and December 1, 1993 relative to the Mayor's priorities for economic development in the City.

Ms. Ong indicated that Mr. Sims will be assisting Mr. Lazarus in establishing sub-committees within the Economic Development Group.

Mr. Helfeld left the meeting at 4:25 p.m. and Robert Gamble, Deputy Executive Director, Finance, conducted the remainder of the meeting.

REPORT OF THE EXECUTIVE DIRECTOR

Deputy Executive Director Robert Gamble reported to the Commissioners on the following matters:

- (a) The Commission will hold a joint public hearing with the Board of Supervisors on December 13, 1993 at 3:00 p.m. regarding the proposed merger of seven redevelopment project areas.

Mr. Kouba indicated that he had talked with Supervisors Kaufman and Leal who indicated support of the merger.

Ms. Ong indicated that Mr. Gamble is in the process of scheduling meetings between individual Commissioners and Supervisors to discuss the merger.

- (b) A regular Agency meeting will not be held on December 14, however, there will be a Closed Session on personnel on that date.
- (c) On December 8, the Budget Committee of the Board of Supervisors will consider a request from the Agency for a budget amendment to add two architectural positions back into the 1993-94 budget.
- (d) On December 7, the Dolores Street Community Services held a Renovation Ceremony for the Richard M. Cohen Residence, a 10-bed, 24-hour care, licensed, assisted-living facility for homeless people disabled by AIDS, which is located at 220 Dolores Street. The Agency contributed \$400,000 in tax increment funds to the development and \$300,000 in HOPWA Funds
- (e) The Agency's By-laws require election of a President and Vice President at the last regular meeting in December or if not in December at a regular or special meeting held in January or February.

NEW BUSINESS (Continued)

- (h) Mr. Gamble introduced item (h), a workshop, to discuss the merger of all seven of the Agency's active redevelopment projects. The proposed project merger is for fiscal purposes and will permit existing property tax increments to be transferred, with budgetary approval, from one project area to another. A joint public hearing with the Board of Supervisors on this proposal is scheduled for 3:00 p.m. on December 13, 1993. Positive aspects of the merger include: preservation of future financing options for the City; reduction in the cost of future redevelopment financing; the merger will permit the actual funding of budgeted activities for the Hunters Point Shipyard and GSA project; allow completion of economic development activities in existing project

areas; and permit the development of public facilities within existing project areas.

Thomas Conrad, Chief, Planning and Programming, made a presentation on the merger and noted the procedures that will be followed at the public hearing with the Board of Supervisors.

Mr. Gamble and Mr. Conrad responded to questions from the Commissioners regarding the impacts of the merger.

Ms. Ong indicated that she would like to state for the record that the merger will not permit monies to be used outside of redevelopment areas except for low and moderate income housing, which the statute now permits. Although funds can be transferred from one project area to another, the funds cannot be used outside the project areas. She indicated she would like to make this clear because there have been rumors that it is planned to use the money for other projects City-wide, which is not the case.

The following persons spoke in support of item (h): Chuck Collins, Mayor's Fillmore-Western Addition Economic Development Task Force; Bob Davis; Essie Collins; Alex Pitcher; Lefty Gordon, Ella Hill Hutch Community Center; Wayne Corn, Planning Association for Divisadero Street and other Western Addition Community Groups; Naomi Gray, Chair, Mayor's Fillmore/Western Addition Economic and Planning Development Task Force; and Robert Speer, Beideman Neighborhood Group.

The speakers noted that their support of the merger is contingent upon any tax increment funds derived from the Western Addition A-2 Redevelopment Project Area remaining in that project area and being used for the unfinished agenda in the Fillmore/Western Addition area.

Espanola Jackson and Samuel Murray did not speak to the merger but noted the importance of working in unity for the betterment of San Francisco.

The following persons spoke in opposition to the merger: Calvin Welch, Council of Community Organizations (CCHO); and John Elberling, TODCO.

Mr. Welch and Mr. Elberling read statements into the record which are attached hereto and made a part of these minutes.

- (g) Rudy Nothenberg, Chief Administrative Officer (CAO), introduced item (g), which requests authorization of the selection of underwriters for the Central Block 3 (CB-3) bond financing, as recommended by the Chief Administrative Officer (CAO) of the City and County of San Francisco in connection with Yerba Buena Center. The Agency Commission and the Board of Supervisors have expressed their intention to fund the construction of the Children's Center, the Mexican Museum and the Moscone Convention Center improvements with the issue of Redevelopment Agency

bonds. In collaboration with the CAO's Office, staff conducted a request for proposals and selection process in accordance with the standards and procedures of the Human Rights Commission for the underwriters. Following careful review and evaluation of the proposals, a six member panel recommends: PaineWebber as Senior Manager, Smith Mitchell, a WBE firm, as Co-Senior Manager and Dean Witter, First Boston and Pryor McClendon, an MBE firm, as Co-Managers.

Mr. Nothenberg described the selection process and introduced representatives of the underwriting team.

Mr. Stern arrived at this time, 5:25 p.m.

An extensive discussion ensued between the Commissioners and Mr. Nothenberg, during which the Commissioners noted their concerns regarding the composition of the underwriting team because of the lack of participation of M/WBE firms and minority representation within the workforces of the majority firms.

Mr. Nothenberg responded by offering to include the next highest ranked MBE firm, Sutter Securities, a local HRC-certified MBE firm, to the underwriting team and by suggesting that it would make sense to have the Human Rights Commission and the Agency enter into affirmative action agreements with the majority firms.

Bayard Fong, Contract Compliance Officer, Human Rights Commission (HRC), indicated that he had been involved through the entire selection process and he felt the interview process was fair.

Mr. Rosales noted his concern that there was not a Hispanic underwriting firm involved and that in the workforce area most of the Asians and Hispanics are at the clerical level.

Mr. Fong indicated that an affirmative action agreement would seek to define areas of under-utilization. Typically there would be monitoring and a review of the workforce undertaken after a period of time such as a year.

Mr. King requested information regarding the ranking process, which Mr. Nothenberg indicated would be provided.

Mr. Fong indicated that a workforce breakdown in the local area offices would be provided to the Commission with a comparison with the labor statistics from the 1990 census.

Following further discussion, the following motion was made:

MOTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. STERN, THAT THE MAJORITY FIRMS ENTER INTO AFFIRMATIVE ACTION AGREEMENTS WITH THE HUMAN RIGHTS COMMISSION/SAN FRANCISCO REDEVELOPMENT AGENCY BASED ON AVAILABILITY WITHIN THE APPLICABLE PROFESSIONS BY GENDER AND ETHNICITY.

Laura Wagner, CAO's Office, described the fee structure of the transaction.

The following representatives of the underwriting teams spoke regarding their firm's affirmative action programs: Stephen Hicks, PaineWebber; Jamison Miller, Dean Witter; Paul Rosentiel, First Boston Corporation; Dean Flores, Pryor, McClendon, Counts & Co.; Monique Humphreys and Addie Little, Smith Mitchell.

Mr. Rosales requested a vote be taken on the motion he proposed earlier and the motion carried unanimously.

MOTION: IT WAS MOVED BY MS. SCHILLING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED, THAT SUTTER SECURITIES BE ADDED TO THE UNDERWRITING TEAM.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 265-93, AS AMENDED, BE ADOPTED.

Acting President Ong announced that would be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

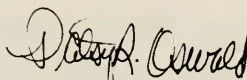
San Francisco Naval Shipyard with the United States Navy; and the block bounded by Steuart, Spear and Folsom Streets in Rincon Point-South Beach with the GAP.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Ms. Schilling, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations and Personnel. The meeting adjourned at 6:05 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

January 25, 1994

Minutes of a Regular Meeting, December 7, 1993

Attachments

COUNCIL OF COMMUNITY HOUSING ORGANIZATIONS

409 CLAYTON STREET, SAN FRANCISCO 94117

(415) 863-6566

Statement of the Council of Community Housing Organizations Opposing the Proposed Merger of Redevelopment Project Areas and the Inclusion of the Embarcadero-Lower Market

(Golden Gateway)

7 December 1993

The Council of Community Housing Organizations (CCHO) has consistently opposed the merger of existing project areas into a single tax increment pool since it was first proposed in 1985. Most recently, in August, 1993 we submitted testimony on the Strategic Plan which again re-asserted our opposition to this scheme. Between 1985 and today not one objective fact has changed to have us reconsider our opposition to project area merger. Indeed, if anything the November 1, 1993 Draft of the Agency's Strategic Plan and the Agency's actions earlier this month regarding the funds for the Williams building rehabilitation underline why the Agency, at this time in its history, should not be given, what in effect is a huge blank check on the City's General Fund.

Agency Has No Role AND No Mandate To Expend New Tax Increment Funds

Since the mid-1980's the Agency's role, beyond the long delayed completion of existing urban renewal projects, has been unclear and confused. It has gone through three Executive Directors, some 16 Commissioners, three Mission Statements (counting the current one outlined in the Strategic Plan), three "strategic reviews" and is now in the third Mayoral administration with its mission and role still unclear.

1993 saw even more disruption within the Agency further confusing its future role. Three major events occurred this year:

First, the Agency underwent a major "reorganization" in it's affordable housing role having citywide tax increment funded affordable housing production transferred to the Mayor's Office of Housing, losing in the process it's most experienced citywide affordable housing development staff;

Second, the Commission refused to grant a long term contract to the existing Executive Director, and with his subsequent resignation in now in the midst of selecting a new Director;

Third, in an extraordinary display of Commission disunity some Commissioners testified before the Board of Supervisors against the transfer to the Agency of a senior "economic development" official in the Mayors office. The transfer was made

and the offending Commissioners were replaced.

In addition to the loss of key staff and obvious Commission/senior staff conflicts the long awaited Strategic Plan which would, supposedly, outline the new mission and role for the Agency sits un-acted upon in only "Draft" form.

Why should any policy maker in their right mind agree to hand to this Agency, which is so obviously at sixes and sevens with itself the huge "blank check" of project area merger? But besides the current confusion within the Agency, there still remain "structural" objections to the merger of project areas for the purpose of generating tax increment financing.

CCHO Position On Merger: Minimum Standards

CCHO has repeatedly testified that three basic standards must be met by the Agency before project merger makes good public policy sense.

First, deliver on the promise made by redevelopment to existing low income African American communities by developing and implementing community based economic development programs in the Western Addition and Bayview Hunters Point Redevelopment Project Areas. While the long stalled Strategic Plan (see page 7 of the 1 November Draft) recognizes, in vague rhetorical terms, this commitment (that the "Agency will work with the community" to "address" or "establish" economic development "concerns" or "plan") little has been concretely done to actually accomplish this commitment. Transferring tax increment capacity out of the Western Addition as project merger will allow offers little hope that this long delayed process will happen. The South of Market/YBC community has also failed to be provided with sufficient support to meet the "promise" of redevelopment.

Second, restrict tax increment use to CAPITAL USE ONLY not annual salaries and operational budgets. Not including this years TI bond, so far the Agency has spent some \$140 million in bond proceeds, with the majority used to pay for annual operating budgets and staff salaries. This is a tragic misuse of TI bond proceeds and must cease if CCHO is to support project merger.

Third, the Agency must re-organize and be integrated into the existing City administration. Costly duplicative staff positions must be eliminated or reduced: engineering, planning, legal and architecture staffs duplicate existing City bureaus and departments and should be eliminated or diminished reducing the Agency's overhead, maximizing bond proceeds for capital expenditures.

In addition to these three historic CCHO positions must be added a fourth: the completion of the Strategic Plan process with full public hearing on a final draft document before the Planning Commission and the Board of Supervisors. The role for the Agency

and its Mission as stated in the Draft must be consolidated so that the plan reads less like a "menu" and more like an actual plan. It is not enough to have a "draft" plan on how the Agency is to act, unheard by the policy setting organs of local government.

Affordable Housing Concerns and Project Merger

In addition to the above listed requirements there is a very specific concern that CCHO has regarding the future use of TI funds after merger. CCHO member organizations are the primary affordable housing producers in San Francisco. Over 10,000 units have been built or rehabilitated by them, the majority of which without TI funding. As such CCHO has been the primary user of the Citywide Affordable Housing Bond program.

The official Notice of Joint Public Hearing on project merger lists as the "purpose" of the merger to " assure (emphasis added) financing availability for affordable housing in or near the Merged Redevelopment project".

What "assurance" has been offered? We know of no document, no projected budget and have had no communication with staff about any such assurance of financing of affordable housing should the merger occur. We demand to know how this Commission or the Board of Supervisors can claim to the public that the proceeds of the merger will "assure financing availability for affordable housing" when no such assurances have been made.

The "Strategic Plan" nowhere makes such an assurance. Indeed, the November Draft fails to even mention the Citywide Affordable Housing Bond Financing program by title in it's entire 18 pages, let alone assuring its continuation. The "Mission Statement" (page 4) for the newly named "Development Agency" fails to list the development of "affordable housing" as even being part of the new mission, in stark contrast to the 1988 Mission Statement. The "Agency Development Roles" (page 5) only refers to "subsidized", not "affordable" housing production (developers can be subsidized but the housing they produce may not be affordable to low income people) and then only in "redevelopment areas", not Citywide.

Thus it is quite clear that the Agency is getting out of the business of financing Citywide affordable housing development, yet neither the Mayors Office nor the Board of Supervisors have approved this drastic change in policy.

CCHO opposes the raid on the General Fund which is what the merger is all about. Low income communities will suffer a loss of financing not only for affordable housing development but also community based economic development.

TODCO

TENANTS AND OWNERS

DEVELOPMENT CORPORATION

San Francisco Redevelopment Commission
770 Golden Gate Ave.
San Francisco, Ca. 94102

December 7, 1993

Honorable Commissioners:

For the reasons outlined in detail in the attached Memorandum to the only two active redevelopment area citizens advisory groups, we must oppose the 'blank check/no limit' merger proposal now before the Agency.

For those of us who would like to see the existing redevelopment project areas completed, and see the Hunter's Point Shipyard revitalized along with a new federal office building, a project merger that limited any use of tax increment funds taken outside any project - only after it was completed - to those specific purposes might be an acceptable compromise.

This would guarantee that the Western Addition's existing 'tax increment' would remain available to address the unmet needs of the City's African American community, and never be at risk of being 'taken downtown' instead to build a sports arena or somesuch project.

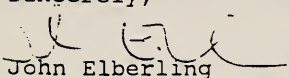
This would guarantee that Yerba Buena's future 'tax increment' would become available to address the unmet needs of the adjacent South of Market Project Area, and never be at risk of being 'ripped off' instead to build a 'world's fair' or somesuch project.

This would guarantee that Rincon Point/South Beach's future 'tax increment' would become available to finish that project and its adjacent waterfront public improvements if the project is expanded someday, and never be at risk of being 'exported' instead to build a 'bioscience zone' or somesuch project.

Any future redevelopment areas for whatever purpose should be conceived and planned to financially stand on their own legs, not suck dry the existing projects nor the City's important general fund revenue provided by the Golden Gateway.

Technically, this would mean changing the merger ordinance before you to restrict the increment funds to use within only the merged redevelopment areas that were either approved or designated as survey areas before December 31, 1993, and to be transferable from one to another only after the public facilities program of the originating project area had been completed.

Sincerely,


John Elberling
Executive Vice-President

230 FOURTH STREET
SAN FRANCISCO, CA 94103
415/896-1880 FAX: 415/896-0358

TODCO

TENANTS AND OWNERS DEVELOPMENT CORPORATION

San Francisco Redevelopment Commission
770 Golden Gate Ave.
San Francisco, Ca. 94102

December 10, 1993

Honorable Commissioners:

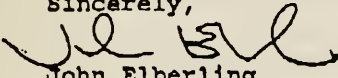
Thank you for the response to the concerns expressed by all community organizations in the Western Addition, Rincon/point South Beach, Yerba Buena Center, and South of Market redevelopment areas. regarding guarantees to the existing redevelopment areas that their completion - as they may be amended - will be assured before their tax increment resources are obligated for other projects.

However, the proposed draft language which I have seen, that for the South Beach Project only, falls short of a truly enforceable guarantee. As we all know, no one knows who will be the Mayor, the Supervisors, the Commission, the Executive Director, etc., years down the road. While I would trust this particular Commission and set of elected officials, given term limits, etc., I do not want to see our fate depending someday on some other unknown group of future City officials having to honor a non-binding pledge.

For the YBC amendment, to also include the adjacent South of Market Project area, it should read:

No tax increment, other than tax increment pledged to service indebtedness incurred to generate proceeds for deposit into the low and moderate-income housing fund maintained by the Redevelopment Agency, shall be utilized in a component of the Merged Project other than the Yerba Buena Center and South of Market components until it has been determined, without the objection of the designated respective advisory/project area committee(s), that funds are presently available or legally committed to the Yerba Buena Center and South of Market components for full implementation of all their redevelopment plans' activities without delay due to lack of funding, including any additional activities described in amendments to such plans.

Sincerely,



John Elberling
Executive Vice-President

cc: SOMPSC
Yerba Buena Consortium
San Francisco Board of Supervisors

FEB 17 1994

SAN FRANCISCO
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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
21ST DAY OF DECEMBER, 1993

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 21st day of December, 1993, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Leroy King
Gary Kitahata
Jon Henry Kouba
Manuel A. Rosales
Clarence R. Stern

and the following was absent:

Leslie T. Schilling (Arrived 4:25 p.m.)

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: John Elbering, GP/TODCO; Fei Tsen, President, Board of Directors, Children's Place; Ed Decker and Alberta Rose, Board members, Children's Place; Brenda Berlin, Consultant, Children's Place; Ace Washington; Essie Collins, Western Addition Economic Development Task Force; Patricia Chrapilone, Lutheran Social Services; Joy Bacher and Allan Stinson, Black Coalition on AIDS; S. Gillies; Anna D. Amato and Lance Henderson, San Francisco AIDS Foundation; Tom Calvanese, Ambassador Hotel; and Carol Carr, Bernal Heights Housing Corporation.

APPROVAL OF MINUTES

It was moved by Mr. Stern, seconded by Mr. King, and unanimously carried that the Closed Session minutes of July 20, 27 and August 10, 1993, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS - CONSENT AGENDA

At the request of Mr. Kitahata, Consent Agenda item (e) was removed from the Consent Agenda and considered as a regular item.

THE ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE VOTED UPON BY A SINGLE VOTE OF THE COMMISSION.

Minutes of a Regular Meeting, December 21, 1993

- (a) Amending the Agency Salary Resolution No. 100-92 to apply pay equity increases to certain classifications effective July 1, 1993.
- (b) Adopting Notice of Future Costs of an increase in Retirement Plan Benefits (two years additional service credit).
- (c) Resolution declaring the official intent to reimburse certain expenditures from the proceeds of tax-exempt financing in an amount not to exceed \$80,000 made and/or to be made in connection with the construction and rehabilitation of certain capital improvements to the George R. Moscone Center Convention Facilities and the acquisition and construction of the Children's Center Facilities and Mexican Museum Facilities; Yerba Buena Center.
- (d) Resolution stating the Agency's intention to issue hotel tax revenue bonds to finance the acquisition and construction of the Children's Facilities; Yerba Buena Center.
- (f) Authorizing a Grant Agreement for \$136,222 under the Housing Opportunities for Persons with AIDS Program (HOPWA) with Baker Places, Inc. to provide 8 lease/rental assistance subsidies and supportive services to 16 individuals living with HIV/AIDS.
- (g) Authorizing a Grant Agreement for \$621,637 under the Housing Opportunities for Persons with AIDS Program (HOPWA) with the San Francisco AIDS Foundation to provide at least 55 lease/rental assistance subsidies and supportive services to individuals and families living with HIV/AIDS.
- (h) Authorizing a Grant Agreement for \$89,438 under the Housing Opportunities for Persons with AIDS Program (HOPWA) with Lutheran Social Services of Northern California to provide 15 lease/rental assistance subsidies and supportive services to individuals with HIV/AIDS at the Ambassador Hotel.
- (i) Authorizing a Grant Agreement for \$85,565 under the Housing Opportunities for Persons with AIDS Program (HOPWA) with the Black Coalition on AIDS to provide supportive services to residents of 121 Holly Park Circle and 416 Precita Avenue.
- (j) Authorizing a Grant Agreement for \$222,756 under the Housing Opportunities for Persons with AIDS Program (HOPWA) with Catholic Charities to provide funding to rehabilitate the Peter Claver Center in order to meet licensure requirements.
- (k) Authorizing a Grant Agreement for \$125,630 under the Housing Opportunities for Persons with AIDS Program (HOPWA) with the American Indian AIDS Institute to provide lease/rental assistance subsidies and supportive services to individuals and families living with HIV/AIDS.
- (l) Authorizing a Letter Agreement for \$6,000 under the Housing Opportunities for Persons with AIDS Program (HOPWA) with the

Department of Public Health, AIDS Office, to provide oversight and direction to a HOPWA Contract Monitoring Consultant.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) THROUGH (d), RESOLUTION NUMBERS 275-93, 276-93, 277-93 AND 278-93, AND CONSENT AGENDA ITEMS (f) THROUGH (1), RESOLUTION NUMBERS 280-93 THROUGH AND INCLUDING 286-93, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (e) Mr. Helfeld introduced item (e), which requests authorization of a Letter Agreement guaranteeing the completion of Economic Development activities in the Western Addition A-2 Redevelopment Project Area. At its regular meeting on December 1, 1993, the Mayor's Fillmore/Western Addition Economic Development Task Force considered the Agency's proposal to merge its seven redevelopment project areas into one project and resolved to work with Agency staff toward assuring that certain guarantees will be made to complete the "unfinished agenda" in the Western Addition A-2. With or without the merger, it is believed appropriate to state the Agency's commitment to completing the unmet needs in the Western Addition.

Mr. Helfeld responded to questions from the Commissioners regarding a proposal by the Task Force to hire a consultant, funded by the Agency, to define the "unfinished agenda" in economic development.

Lucia Mele, Economic Development Specialist, noted that the Task Force will meet in January and prepare a report based on resolution at that time on the need for a consultant

Mr. Kitahata noted that the Strategic Plan specifically lists the unmet needs in the Western Addition, with special regard to those issues relating to economic development. He suggested this item be continued until the Task Force present its report to the Commission in January together with an analysis of the existing loan program.

Ms. Schilling arrived at 4:25 p.m. during the discussion on item (e).

MOTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM (e), RESOLUTION NO. 279-93, BE CONTINUED TO JANUARY 1994.

Deborah Drickersen Cortez, Development Specialist, made a presentation on the HOPWA Program items listed on the Consent Agenda and responded to questions from the Commissioners.

- (m) Helen Sause, Project Director, Yerba Buena Center, introduced item (m), which requests authorization of a Grant Agreement for \$50,000 with the Yerba Buena Gardens' Children's Place in Yerba Buena Center. The Board of the Children's Place has been

assisting the Agency in design review and program development for the children's facilities. Brenda Berlin has been under contract to the Agency as a consultant since June 1992 and her contract expires on December 31, 1993. The Board intends to hire Ms. Berlin to continue oversight of the facility and to hire another consultant to design a fundraising strategy and marketing campaign for the Children's Place. The Grant Agreement is for predevelopment costs associated with the children's facility, including completion of design review, program development and fundraising.

Ms. Sause responded to questions from the Commissioners regarding the role of the Children's Place Board and the proposed consultant contracts.

The following persons spoke in support of item (m): Fei Tsen, President of the Board of Directors for the Children's Place; Ed Decker and Alberta Rosa, Board members; and Brenda Berlin, Consultant.

Ms. Tsen gave background information on the Children's Place and plans the Board has for the facilities.

Ms. Berlin gave a status report on accomplishments to date and plans for future programming and funding.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 287-93 BE ADOPTED.

- (n) Robert Firehock, Deputy General Counsel, introduced item (n), which requests authorization of a Second Amendment to the Joint Powers Agreement with the California Department of General Services governing the San Francisco State Building Authority. The Agency and the Department of General Services formed the Joint Powers Authority in 1982 to finance and develop the new State Office Building at 505 Van Ness Avenue. Recent legislation authorizes the Authority to develop new State office facilities at 455 Golden Gate Avenue/350 McAllister and the proposed amendment updates the Joint Powers to incorporate that legislative authority. The Authority Board consists of three members, two of whom are appointed by the State and one by the Agency Commission. Although the majority of staff work is done by staff of the Department of General Services, Agency staff does provide support, principally for its meetings and to respond to inquiries. However, the Authority fully reimburses the Agency for all staff time and expenses. Although the Agency does not have a direct interest in the site, it was felt at State level that using the existing Authority would be the most efficient and least costly approach. In addition, the Agency welcomes an opportunity to assist in promoting new construction and development in the Civic Center area.

Ms. Ong noted she is employed by the State Attorney General's Office, located at 455 Golden Gate Avenue, and therefore she would refrain from discussions and voting on item (n).

At this time, 5:20 p.m., Ms. Ong turned the Chair over to Ms. Schilling.

Mr. Firehock responded to questions from the Commissioners regarding the State Building Office Project.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND CARRIED, WITH MS. ONG ABSTAINING, THAT RESOLUTION NO. 288-93 BE ADOPTED.

At this time, 5:30 p.m., Ms. Ong resumed the Chair.

- (m) Jack Robertson, Acting Chief of Housing, introduced item (m), which requests authorization of a Grant Agreement for \$325,000 with GP/TODCO and authorization of an expenditure of funds, in an amount not to exceed \$100,000, for Construction Management Services for the development of affordable housing at 241 Sixth Street in the South of Market. Since commencement of construction of a 140 Single Occupancy Hotel (SRO), the Agency has provided \$3.709 million for land acquisition, construction of the project and relocation assistance. A construction cost overrun of approximately \$450,000 has occurred due to foundation system problems, general contractor overtime allowance and additional environmental consulting costs. The project consultants have agreed to defer \$75,000 in consultant fees and the Developer plans to defer construction of the roof deck until the project receives syndication fees. The City-wide Housing Loan Committee has approved the request for \$325,000 in grant funds to close the funding gap subject to Agency staff review and approval of all future construction change orders and agreement by the Developer to include a construction manager in all future discussions relating to construction cost and scheduling issues. It is proposed the Agency hire a construction manager at a cost not to exceed \$100,000, funded by the South of Market housing fund.

Mr. Robertson explained the status of State funding and responded to questions from the Commissioners regarding why a grant is being requested rather than a loan.

Commissioners Ong and Stern noted their concern that this developer had opposed the merger of redevelopment projects which would have resulted in increased tax increment for this type of project.

Mr. Stern indicated that this is a good project, however, he would like to see grants being made to projects in the Western Addition.

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John Elberling, GP/TODCO, expressed appreciation to staff for their support of the project and indicated that the assignment of a construction manager will be helpful.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 289-93 BE ADOPTED.

- (p) Robert Firehock, Deputy Agency Counsel, introduced item (p), which requests authorization to enter into a Purchase and Sale Agreement (PSA) with the Bank of America for the parcel located at 10th and Market Streets on which it is proposed that the United States General Services Administration (GSA) construct a Federal Office Building in connection with the 10th and Market Redevelopment Survey Area. Mayor Jordan has designated the Agency as the lead City entity for the Federal Office Building project which is structured to have the Agency establish a project area, purchase the land and convey it to GSA. The proposed purchase and sale agreement outlines the Agency's understanding with the Bank in the initial phase of the transaction. Approval to enter into the PSA will permit the Bank and the Agency to move forward with relocating the tenants and clearing the site, subject to completion of the environmental review process.

The Commissioners noted their concern that the financing contingency was no longer adequate in light of the failure of the Board of Supervisors to approve a project merger, including the Golden Gateway project area.

Following an extensive discussion between the Commissioners and staff, it was the consensus of the Commissioners that this matter be further discussed in Closed Session and continued to the Regular Meeting of January 11, 1994.

RULE OF THE CHAIR: ACTING PRESIDENT ONG INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (p), RESOLUTION NO. 290-93, WOULD BE CONTINUED TO JANUARY 11, 1994. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

REPORT OF THE PRESIDENT

- (a) Acting President Ong reported that the names of the finalists for the position of Executive Director have been submitted to Mayor Jordan and an announcement is expected in the near future. In the event this has not occurred by December 31, 1993, an Acting Executive Director will be appointed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Two proposals have been received for the development of Site F-1 (Billboard Site) in Rincon Point-South Beach. Staff is evaluating the proposals and anticipates making a recommendation

on January 25, 1994 to the Commission to enter into exclusive negotiations with one of the developers.

- (b) Since the proposed merger of redevelopment projects was rejected by the Board of Supervisors on December 20, 1993, there is a need to explore alternative sources of funding to tax increment.
- (c) Helen Sause, Project Director, Yerba Buena Center, gave a status report on discussions with historic groups regarding FEMA funding for the Williams Building and the possibility of using a portion of the funds for an alternate project.
- (d) Two items will be added to the Closed Session agenda on Real Property Negotiations.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) A discussion ensued between the Commissioners and staff regarding an informational memorandum dated December 14, 1993 explaining why some contractor's practice of excluding non-union subcontractors does not alone violate the Agency's policies on Affirmative Action and Prevailing Wages.

Mr. King indicated that the Agency has the best Affirmative Action Program for small minorities of any agency and there is a need to hold a public hearing to re-evaluate affirmative action for minorities in light of the complaints received.

David Madway, Agency General Counsel, noted that the Agency as a government agency cannot specify that a contractor it deals with be union or non-union or that the contractor hires union or non-union workers.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Ace Washington spoke regarding matters related to the Western Addition.

Acting President Ong announced that the meeting would be recessed to a Closed Session pursuant to Government Code Section 54957 on Personnel.

The meeting recessed at 6:50 p.m. and reconvened at 7:00 p.m. with the same roll call.

Acting President Ong announced that Richard Kono will be appointed Acting Executive Director, effective December 31, 1993, in the event a new executive director is not in place on that date.

Acting President Ong announced that there would be four Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities may negotiate with are:

Minutes of a Regular Meeting, December 21, 1993

San Francisco Naval Shipyard with the United States Navy; and
block bounded by Steuart, Spear and Folsom Streets in Rincon
Point-South Beach with the GAP; and

northeast corner of 4th and Harrison Streets in Yerba Buena Center
with Haas & Haynie; and

northwest corner of Webster and Eddy Streets in the Western Addition
A-2 with Fillmore Market Place Associates, L.P.

There will also be a Closed Session pursuant to Government Code
Section 54957 on Personnel.

There are two additional Closed Session items that arose subsequent
to posting of the agenda on Friday, December 17, 1993. Pursuant to
Government Code Section 54954.2(b)(2) of the Brown Act, a vote of
five of the seven Commission members is required to add these items.

MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MS. SCHILLING, AND
UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT
REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE
ITEMS AROSE AFTER POSTING OF THE AGENDA ON DECEMBER 17, 1993.

These items are pursuant to Government Code Section 54956.8 to
instruct the Agency's real property negotiator. Property locations
and entities the Agency may negotiate with are:

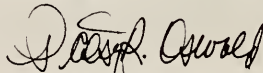
north side of Mission Street (Jessie Street Substation) in Yerba
Buena Center with is the San Francisco Museum of Modern Art.

block bounded by Market, Mission, 10th and 11th Streets with the Bank
of America.

ADJOURNMENT

It was moved by Ms. Schilling, seconded by Mr. Stern, and unanimously
carried that the meeting be adjourned to Closed Sessions on Real
Property Negotiations and Personnel. The meeting adjourned at 7:03
p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

January 25, 1994

